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1953

STATE LEGISLATION

AFFECTING

THE REA PROGRAM



1953 STATE LEGISLATION AFFECTING THE REA PROGRAMS

Foreword. This report is not intended, nor should it be used, to serve as a definitive presentation of all relevant State legislation considered at the 44 regular and 6 special sessions of State legislatures which were held during 1953. Its purpose is rather to put the REA staff on notice as to legislative developments affecting the REA programs so that they may be given appropriate consideration in connection with the discharge of administrative responsibilities. For detailed information as to the effect of enactment of the bills noted herein, inquiry should be made of the Office of the Solicitor. Copies of many of the bills reported, whether enacted or not, are available for examination in this office.

Formulation of Legislative Programs. During the Fall of 1952, all line offices and divisions and the Office of the Solicitor were requested to submit problems which appeared to require legislative solution for the support and advancement of the REA programs in each of the States. Thereafter this office prepared outlines of legislative needs in each State. These outlines were then considered by the Legislative Coordinating Committee in a series of meetings with the Area Directors and representatives of the line divisions and of the Information Services Division and of the Office of the Solicitor. At these meetings decisions were made as to the legislative matter to be presented for consideration in each State. Members of the Solicitor's staff prepared drafts of legislation as required. These were submitted to State associations of borrowers, farm organizations and others for consideration and comment, either by mail or by conference here in Washington or in the field. Numerous other matters were brought to our attention which required statutory changes and for which drafts of bills were prepared. Arrangements were made in as many States as possible for furnishing this office with copies of bills affecting the programs, as they were introduced, and for periodic reports as to their status and progress. Where noted in this report, legislation was sponsored. Three interim reports were prepared and furnished by this office to all staff members showing the status and disposition of the legislation. This report is a final summarization of developments noted in the interim reports.

Informational Sources. During the sessions, cooperation was received from both the Washington and field personnel of the line offices and divisions, and from the Information Services Division and the Office of the Solicitor in supplementing the very valuable information received from legislative contacts in the States. In addition to these sources, this office obtained direct access to lists of bills as introduced and reviewed more than 61,000 bill titles to identify those affecting the programs. Several thousands of bills were obtained from various sources and analyzed, the services of the Solicitor's staff being utilized where necessary for this purpose.

Organization of Report. The body of the report is organized on the basis of the REA geographical sections, and includes legislation sponsored by REA borrowers and their State associations and other farm and rural groups, listed under the heading "A. Affirmative";

legislation identified as adversely affecting the REA programs, listed under "B. Defensive"; and legislation of a general nature on subjects related to the REA programs, listed under "C. Collateral." The third category includes bills which may directly affect the operations of commercial electric and telephone systems, as well as bills of interest to cooperative electric and telephone systems. Bills affecting electric systems, telephone systems, and both are separately presented. The following are the highlights of the legislative developments at the 1953 sessions.

#### A. Affirmative.

##### Rural Electrification

Electric Cooperative Act. Enactment of the latest (1949) revision of the Electric Cooperative Act was not sought in any of the States which held sessions in 1953. Twenty-nine States have adopted one version or another of the model act to date.

Amendatory Legislation. In five States, amendments of the electric cooperative enabling laws were sought. A bill to permit staggered terms for cooperative directors was enacted in Florida. The definition of 'rural area' was amended in North Dakota and Indiana to permit cooperatives to continue service in areas which become non-rural; a similar bill failed in Arkansas. However, Arkansas enacted an amendment clarifying the voting requirement for the amendment of articles of incorporation. Indiana passed a bill authorizing directors to mortgage cooperative property to the United States. North Dakota amended its enabling law to permit service by electric cooperatives to a limited number of non-members. A bill to provide for domestication of foreign electric cooperatives failed to pass in Missouri.

Anti-pirating. Legislation to prohibit the pirating of electric consumers was enacted in North Dakota and Ohio, but failed in California.

Commission Regulation. In California legislation specifically exempting electrification borrowers from commission jurisdiction was introduced but did not pass.

Miscellaneous. Pennsylvania enacted a law to clarify the power of State agencies to receive electric service from cooperatives. South Dakota passed legislation relieving electric systems of liability for inductive interference. In Oregon a bill was passed validating the after-acquired property provisions of REA mortgages. South Carolina enacted a law exempting REA mortgages from the renewal affidavit requirement. The Wisconsin and North Dakota legislatures adopted resolutions addressed to the Congress endorsing the REA programs and urging their continued support. Legislation to create Consumer Power Districts failed in Minnesota.

## Rural Telephone

Telephone Cooperative Act. Oklahoma enacted a complete, self-contained telephone cooperative enabling act, following closely the model Rural Telephone Cooperative Act, thus becoming the ninth State to adopt one version or another of this Act. A Telephone Cooperative Act, with the rural limitations of the model act omitted, was introduced in Alabama; its disposition has not as yet been reported. Illinois amended its Corporations Not For Pecuniary Profit Act to permit its use for the incorporation and operation of corporations furnishing telephone service on a mutual or cooperative basis. A Montana bill amending the Electric Cooperative Act to provide for the formation and operation of telephone cooperatives was shelved after being adversely amended.

Amendatory Legislation. Georgia amended its 1950 Rural Telephone Cooperative Act to permit service in cities having a population between 2075 and 2100 and to require the consent of governing authorities before constructing lines along roads, highways, etc. Texas also amended its 1950 Rural Telephone Cooperative Act to permit service in cities and towns the population of which has decreased below 1500 since the last preceding Federal Census.

Taxation. North Dakota exempted mutual and cooperative telephone companies from sales and use taxes.

Rights-of-Way. Montana and South Dakota simplified the procedure for obtaining highway easements for telephone facilities.

Miscellaneous. Ohio enacted legislation tightening up regulation of telephone companies, particularly with respect to the rendition of adequate service. Other Ohio bills providing even more stringent regulation and service requirements failed. California had before it but failed to pass a Rural Telephone Act designed to promote adequate service in rural and semi-rural areas. North Carolina amended its laws to permit and validate the domestication of out-of-state non-stock corporations.

## Rural Electrification and Telephone.

Minnesota enacted legislation eliminating the 50-year limitation on the duration of corporate existence of cooperative associations. Montana memorialized Congress to provide adequate funds for the rural electric and telephone programs.

### B. Defensive

## Rural Electrification.

Electric Cooperative - Repeal. In Georgia and Missouri, bills to repeal the Electric Cooperative Act were introduced but both were quickly killed in the committees to which they were referred.

Commission Regulation. The Nebraska legislature had before it a bill to subject public power and irrigation districts to the jurisdiction of the State Railway Commission which was not enacted.

Electrical Licensing and Inspection. Eight States, Delaware, Iowa, Michigan, Montana, New Hampshire, New Jersey, Oklahoma, and Wisconsin rejected bills relating to the licensing of electricians and electrical contractors or providing for electrical wiring inspection. Maine enacted a general law, Maryland a local law on this subject.

Miscellaneous. Montana repealed its State Electrification Authority Act which conferred powers in connection with power development on behalf of the State which had never been exercised. The Wisconsin legislature rejected a proposal to limit hydro-electric development on certain streams. In Minnesota, bills to require periodic testing of electric meters failed. A North Dakota bill requiring Commission authority for the extension of electric distribution lines by co-operatives and other suppliers was withdrawn.

#### Rural Telephone.

Commission Regulation. Florida adopted and Pennsylvania rejected legislation requiring certificates of public convenience and necessity to be obtained by telephone enterprises. In Pennsylvania, the bill was directed solely at cooperative or nonprofit organizations, the commercial systems being already subject to this requirement. The Florida bill covered all telephone systems. An Illinois bill designed to include mutual telephone companies under the definition of "public utility" failed to pass.

Taxation. A Pennsylvania bill imposing a State tax on local and long distance telephone service failed.

Miscellaneous. Tennessee proposals to require that telephone lines be relocated for highway improvement at the expense of the telephone company owner failed to pass.

#### Rural Electric and Telephone.

Commission Regulation. Iowa rejected a bill to establish a Public Service Commission with complete regulatory jurisdiction over electric and telephone systems, including cooperatives. California turned down a proposal to require certificates of convenience and necessity for the extension of lines within two miles of the boundary of a municipality operating its own utilities. South Dakota adopted bills further regulating right-of-way easements along highways and overhead lines in proximity to airports.

Taxation. A North Carolina bill to subject electric and telephone cooperatives to taxation and repealing their existing exemption failed.

Miscellaneous. North Dakota amended its statutes relating to the moving of electric supply or communication lines to permit movement of buildings etc., by subjecting the owners to damages for failure to act when agreed upon.

*Charles U. Samenow*

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Office of the Administrator

September 25, 1953

Section 1.

Delaware  
Maine  
Maryland  
New Hampshire  
New Jersey  
Connecticut  
Massachusetts  
Rhode Island  
New York  
North Carolina  
Pennsylvania  
Vermont  
Virginia

Section 1.

Delaware

Maine

Maryland

New Hampshire

New Jersey

Connecticut

Massachusetts

Rhode Island

New York

North Carolina

Pennsylvania

Vermont

Virginia

1953 Delaware Legislation - Final Report  
Session: January 6 to July 11, 1953

A. Affirmative

Legislative Needs

Electrification

None

Telephone

None

Legislation Sponsored

No affirmative program of legislation was undertaken by REA borrowers in Delaware.

B. Defensive

Electrification

Failed:

Electrical Examiners - H. B. 158, died in House, would have amended Title 24, Delaware Code of 1953, relating to the State Board of Electrical Examiners. (S. B. 437, same as H. B. 158, died in Senate)

H. B. 632, died in House, would have amended Title 24, Delaware Code of 1953 relating to a Board of Electrical Examiners for New Castle County.

C. Collateral

Electrification and Telephone

Failed:

Public Service Commission - H. B. 191, died in House, would have repealed Chapter 1, Title 26, Delaware Code of 1953, relating to the Public Service Commission.

H. B. 569, died in House, would have amended Chapter 1, Title 26, Delaware Code of 1953, relating to the compensation of commissioners of the Public Service Commission.

H. B. 668, passed House, died in Senate, would have amended Chapter 1, Title 26, Delaware Code of 1953, relating to payment of witness fees and mileage for attendance at Commission hearings on public utility rate changes.

Eminent Domain - S. B. 410, passed Senate, died in House, would have amended Chapter 61, Title 10, Delaware Code of 1953, relating to condemnation, by granting to every corporation heretofore or hereafter incorporated for the purpose of engaging in the telephone, telegraph business or the business of distributing electricity, power, etc. in the State of Delaware additional power to condemn and appropriate private property in certain cases, under the power of eminent domain, for the construction, maintenance and operation of its lines and facilities and providing procedure for the determination of just compensation in such cases.

1953 Maine Legislation - Final Report  
Session: January 7 to May 9, 1953

A. Affirmative

Legislative Needs:

Electrification

1. Amendment of the Cooperative Enabling Act:

- a. Section 24, to eliminate FSC features and undesirable territorial provisions.
- b. To permit service to non-members.
- c. To provide that mortgages may secure after-acquired property.
- d. To provide that county recording which is appropriate for real estate liens, should also serve as constructive notice with respect to personal property liens, thereby eliminating necessity for recordation in town records. At present, chattel mortgages must be recorded in towns within 20 days from date of execution or date of mortgage.
- e. To exempt 24,940/14,400 volt construction from ground clearance requirements of NESC, and establishing more liberal requirements.

Legislation Sponsored:

No affirmative program of legislation was undertaken by REA borrowers in Maine.

B. Defensive

Electrification

Enacted:

Electricians Licensing - S. B. 455, approved May 1, 1953 and effective August 8, 1953, Chapter 307, adds Chapter 73-B to the Revised Statutes relating to the licensing of electricians and providing for the creation of an electricians examining board. The act establishes standards of qualifications for electricians; provides for the conducting of examinations by the board and permits the suspension or revocation of licenses for negligence or incompetency in making electrical installations or practice of fraud in obtaining a license.

C. CollateralElectrificationFailed:

Electric Power - Transmission out of State - H. B. 941, died in House after being adversely reported by the Committee on Public Utilities, related to the transmission of electric power beyond the limits of the state (under the Fernald Act it is prohibited to transmit hydro-electric power, produced in Maine, outside of the state).

Electrical Equipment - Inspection - H. B. 672, died in House, related to the inspection of electrical equipment.

Electrification and TelephoneEnacted:

Utilities - Rates - S. B. 588, approved May 8, 1953 and effective August 8, 1953, Chapter 377, amends Sections 16 and 17 and adds Section 67-A to Chapter 40 of the Revised Statutes, relating to facilities furnished by public utilities, by providing that rates for services shall be just and reasonable and that the commission shall fix a reasonable value upon all the property on any public utility used or required to be used in its service to the public in determining such rates. Section 67-A provides for additional court review by the supreme judicial court in cases involving the rates of a public utility.

Posts and Wires - S. B. 325, approved April 27, 1953 and effective August 8, 1953, Chapter 224 amends Section 31 of Chapter 46 of the Revised Statutes, relating to the regulation of posts and wires by providing for public notice of hearings on objections to granting of permits for the erection of posts and wires and authorizing, without requiring an additional permit, the relocation of lines or single poles along highways and public roads within the right of way when such relocation is necessitated by the construction or relocation of highways or public roads.

Mortgages - Recording - S. B. 251 approved and effective August 8, 1953, Chapter 180, amends Section 1, Chapter 164 of the Revised Statutes to permit the recording of a memorandum of a mortgage in lieu of the mortgage and describing the information to be contained in such memorandum.

Failed:

Professional Engineers - S. B. 58, died in Senate, related to the Board of Registration for Professional Engineers.

Utility Rates - S. B. 409, died in Senate after being adversely reported, related to public utility rates.

1953 Maryland Legislation - Final Report  
Session: January 7 to April 6, 1953

A. Affirmative

No affirmative program of legislation was undertaken by REA borrowers in Maryland.

B. Defensive

Electrification

Enacted:

Electrical Licensing - Local Laws - S. B. 386, approved April 11, 1953, Chapter 428, effective June 1, 1953, repeals and reenacts without change nine sections of the Prince Georges County "Electrical Apparatus and Wiring" law in order to confirm their validity.

S. B. 387 approved April 11, 1953, Chapter 429, effective June 1, 1953 amends Section 573, Article 17, Code of Public Local Laws of Maryland, Prince Georges County "Electrical Apparatus and Wiring" law to exclude state and county agencies and municipal corporations from the provisions of this section. (Maryland 4, Southern Maryland Electric Cooperative, Inc. has lines in this county.)

C. Collateral

Electrification

Failed:

Sales Tax - Exemption - S. B. 113, died in Senate, would have amended Section 320 (f) and added Section 322 (t) to Article 81, Annotated Code of Maryland, relating to the retail sales tax, so as to exempt from the tax all sales of natural or artificial gas, oil, electricity, etc. when used for household purposes in buildings used mainly as residences.

Electrical Licensing - Local Laws - H. B. 362, died in House, would have added to Article 7, Code of Public Local Laws, relating to Carroll County, Sections 45A through 45 G, empowering the County Commissioners to exercise general supervision and control over the conduct of the electrical business in this county. (No REA borrower's lines in this county.)

Farm Electric Lines - Anne Arundel County - H. B. 764, died in House, would have added Section 436 to Article 2, Code of Public Local Laws, relating to Anne Arundel County, to require "any person, firm or corporation supplying electricity to any farm in Anne Arundel County shall install without charge at least eight hundred (800) feet of the supply line necessary to supply electricity to such farm." The preamble to this bill states: "Whereas, when electricity is initially installed by an agency of the Federal Government, and it is necessary to construct a supply line from the main supply to the point of installation, the Federal Agency supplies such necessary line without charge; and

"Whereas, the Federal Agencies may not supply electricity in Anne Arundel County; and

"Whereas, private utility companies supplying electricity to the farmers of Anne Arundel County now furnish without charge not more than 100 feet of such necessary line" etc. (There are no REA borrower's lines in this county.)

#### Electrification and Telephone

##### Failed:

Public Utility Rates - S. B. 172, died in Senate, would have amended Section 55, Article 78, Annotated Code of Maryland, to provide for the substitution of depreciated original cost, plus an allowance for materials and supplies at original cost, for fair value, as a base for determination of rates by the Public Service Commission.

Utility Rates - Investigations - S. Res. 7, died in Senate, requested the Public Service Commission not to increase rates for any utility in the state for a period of one year from the adoption of the resolution pending a thorough investigation of the entire rate structure of all public utilities.

H. Res. 22, died in House, requested the Public Service Commission to investigate public utility rates in neighboring states to determine whether rates charged by Maryland utilities are higher.

1953 New Hampshire Legislation - Final Report  
Session: January 7 to June 19, 1953

A. Affirmative

No affirmative program of legislation was undertaken by REA borrowers in New Hampshire.

B. Defensive

Electrification

Failed:

State Board of Electrical Examiners - H. B. 401, died in House, would have provided for the creation of a state board of examiners of electricians; the licensing of electricians and the establishment of qualifications, requirements and examinations, etc.

C. Collateral

Electrification

Failed:

Merrimack River Interstate Compact - H. B. 262, died in House, would have authorized the Governor and council to enter into an interstate compact with the Commonwealth of Massachusetts relating to flood control of the Merrimack River. The principal purposes of the compact are: (a) to promote interstate comity among and between the signatory states; (b) to assure adequate storage capacity for impounding the waters of the Merrimack River and its tributaries for the protection of life and property from floods; (c) to provide a joint or common agency through which the signatory states, while promoting, protecting and preserving to each the local interest and sovereignty of the respective signatory states, may more effectively cooperate in accomplishing the object of flood control and water resources utilization in the basin of the Merrimack River and its tributaries.

Electrification and Telephone

Enacted:

Utilities - Crossing Public Lands and Water - H. B. 159, approved and effective March 30, 1953, Chapter 52, amends Section 16, Chapter 294 of the Revised Laws, relating to the crossing of public lands and water by utilities and others by requiring non-utilities to petition the Public Service Commission for a license to construct

and maintain such crossing in the same manner as prescribed for a public utility.

Public Utility Property - Transfer - S. B. 86, approved and effective May 20, 1953, Chapter 176, amends Section 30, Chapter 239 of the Revised Laws, relating to corporate authorization for the transfer of public utility property by requiring that the Public Service Commission "shall find that the public good so requires, such transfer, lease or contract."

Failed:

Utility Rates - S. B. 10, passed Senate, died in House, would have amended Section 6, Chapter 292 of the Revised Laws, relating to the suspension of scheduled utility rates by the Public Service Commission pending investigation, by striking out the 12 month limitation on such suspension and providing that no rate collected under bond shall yield a utility "over 10% additional revenue in excess of revenue produced by existing rates, without the permission of this Commission."

1953 New Jersey Legislation - Final Report  
Session: January 13 to June 25, 1953

(Note: The New Jersey Constitution provides that the legislature meet 45 days after adjournment to consider and act on any bills which the Governor has vetoed. The legislature met in Constitutional session August 17 and adjourned September 10, 1953.)

A. Affirmative

No affirmative legislative program was sponsored by REA borrowers in New Jersey.

B. Defensive

Electrification

Failed:

Electrical Examiners - A. B. 434, died in Assembly, would have established a Board of Electrical Examiners to license electrical contractors.

encl

C. Collateral

Electrification and Telephone

Failed:

Public Utility - Labor Disputes - A. B. 261, died in Assembly, would have repealed Chapter 38, Laws of 1946, concerning labor disputes in public utilities and providing for compulsory arbitration.

Chattel Mortgages - S. B. 216, died in Senate, would have simplified the execution and recording of chattel mortgages.

encl

1953 Connecticut Legislation - Final Report  
Session: January 7 to May 29, 1953

A. Affirmative

Legislative Needs

Electrification

None - Although the model Electric Cooperative Act was enacted in Connecticut in 1941 there has been no electric cooperative development in Connecticut.

Telephone

None

Legislation Sponsored

None

B. Defensive

None

1953 Massachusetts Legislation - Final Report  
Session: January 7 to July 4, 1953

A. Affirmative

Legislative Needs

Electrification

None

Telephone

None

Legislation Sponsored

None

B. Defensive

None

1953 Rhode Island Legislation - Final Report  
Session: January 6 to May 1, 1953  
First Special Session: June 11 to June 12, 1953

A. Affirmative

Legislative Needs

Electrification

None

Telephone

None

Legislation Sponsored

None

B. Defensive

1953 New York Legislation - Final Report  
Session: January 7 to March 21, 1953  
First Special Session: June 25 to June 26, 1953

A. Affirmative

No affirmative legislative program was sponsored by REA borrowers in New York.

Legislative Needs:

The following items were carried over from previous years but were not introduced in the 1953 session:

Electrification

1. Anti-pirating legislation.

Telephone

1. Amendment of Membership Corporation Act, to include telephone service; or
2. Enactment of model Rural Telephone Cooperative Act.

B. Defensive

No legislation which would adversely affect the rural electrification or rural telephone programs was noted.

C. Collateral

Electrification

Failed:

Electric Lines - Construction Equipment - S. B. 2844, vetoed by the Governor April 9, 1953, would have amended the penal law by making it a misdemeanor to operate construction equipment within six feet of an overhead electrical conductor. (In vetoing the bill Governor Dewey quoted from a memorandum of the Public Service Commission recommending disapproval which points out that the bill was "drawn so broadly that in effect it would seriously impede the construction and repair of buildings and roads. Because of the ambiguous way in which the bill is drafted, it would even prevent an individual property owner from doing repair work in the area around the conductors entering his house.")

A. B. 3174 (same as S. B. 2844) died in Assembly.

Electric Submetering Corporation - S. B. 1670, died in Senate, related to electric submetering corporations and would have prohibited charges by such corporations in excess of rate of electric utility operating in same territory. Corporation would be subject to jurisdiction of the Public Service Commission and would be prohibited from engaging in any other business.

A. B. 1877 (same as S. B. 1670) died in Assembly.

S. B. 1254, died in Senate, would have given the Public Service Commission supervision over electric and gas submetering corporations and required that other business of such corporation be kept separate in accounting records.

A. B. 2500 (same as S. B. 1254) died in Assembly.

Electric Rates - S. B. 1223, died in Senate, would have authorized the Public Service Commission to require electric and gas corporations filing optional rates to give written notice once a year to each customer as to which rate affords lowest charges based on class and quantity of service furnished during preceding 12 months.

A. B. 2499 (same as S. B. 1223) died in Assembly.

Electric Bills - S. B. 2524, died in Senate, would have required that bill for service sent to consumer by electric or gas corporation shall be in an enclosed envelope.

A. B. 3031 (same as S. B. 2524) died in Assembly.

State Power Authority - S. B. 502, died in Senate, would have directed the New York State Power Authority to pay annually to St. Lawrence County and to municipalities and special districts therein a fixed sum in lieu of taxes on real property or transmission lines acquired from the Federal government.

A. B. 1019 (same as S. B. 502) died in Assembly.

Rate Increases - S. B. 2066, died in Senate, would have required the Public Service Commission on granting increase in rates for gas and electricity to file report with the legislature of summary of facts, amount of increase and reasons therefor. The increase would be valid unless a majority of members of legislature by concurrent resolution determine it to be unjustified and such disapproval would have to be made within one year.

A. B. 2140 (same as S. B. 2066) died in Assembly.

Electrification and TelephoneEnacted:

Public Utilities - Condemnation - Chapter 414, approved and effective April 2, 1953 amends the condemnation law in relation to proceedings to condemn property of public utilities.

Membership Corporations - Consolidation - Chapter 843, approved April 19, 1953 and effective September 1, 1953 amends and adds to the membership corporations law to provide for the consolidation of domestic and foreign membership corporations, and to provide for approval by the Supreme Court of agreements for such consolidation. (This legislation was recommended by the Law Revision Commission.)

TelephoneFailed:

Emergency Telephone Calls - Obstruction - A. B. 1352, vetoed by the Governor, April 8, 1953, would have amended the penal law to make it unlawful for a person to willfully refuse to relinquish a telephone line when informed that the line is needed for an emergency call or to secure the use of a telephone line by falsely stating that it is needed for an emergency call.

Telephones - Metering - S. B. 1528, died in Senate, would have required telephone corporations to install, by January 1, 1955, metering device on each telephone to indicate the number of outgoing calls which shall be visible at all times. Telephone charges would be on the basis of the number of calls. Public telephones and extensions would be excepted.

A. B. 1567 (same as S. B. 1528) died in Assembly.

Telephone Rate Increases - S. B. 2065, died in Senate, would have required the Public Service Commission on granting increase in rate structure for telephone and telegraph service to file a report with legislature, of summary of facts, amount of increase and reasons therefor. The increase would be valid unless a majority of members of legislature by concurrent resolution determine it to be unjustified and such disapproval would have to be made within one year.

A. B. 2141 (same as S. B. 2065) died in Assembly.

1953 North Carolina Legislation - Final Report  
Session: January 7 to April 30, 1953

Governor's Message

The following excerpts are from the inaugural address of January 9, 1953 of Governor William B. Umstead:

"Public Utilities - The importance of public utilities is recognized by all. Electric power, telephone, railroads, motor freight and passenger carriers, and other public utilities are essential to our growth and development.

"Due to the efforts of the REA and private power companies, about 90 percent of the farms and rural establishments in North Carolina have electricity. There is a growing demand and need for telephones in rural areas. It will be my purpose to encourage to the fullest extent the continuation of both of these splendid programs. They are not State functions, and never have been. The State has never furnished any power and has never installed a telephone. It can, through the Utilities Commission, in proper cases, see that those who hold franchises furnish these utilities. In these matters I shall seek the cooperation of both private industry and the federal government .....

"The increased industrial expansion of North Carolina will require an abundance of electric power. The power companies in this State have greatly increased the output of their plants during the past years. The federal government also has made additional electric power available. Every effort will be made to have power in sufficient quantities to meet the requirements of the people and of our expanding industry."

A. Affirmative

Legislative Needs:

The following items were considered by the Tarheel Electric Membership Association, Inc. at its meeting on February 18 and 19, 1953:

Electrification and Telephone

1. Amendment of the Electric Membership Corporation Act (covers both electric and telephone cooperatives) to provide:
  - a. Two year staggered terms for directors; (endorsed by Statewide but not introduced)
  - b. Service to a limited number of non-members;
  - c. Mortgaging of cooperative property to the Federal Government by board of directors;
  - d. More liberal provision for amending articles of incorporation (endorsed by Statewide but not introduced).

2. Amendment of Sec. 47-27, General Statutes relating to exemption of electric membership corporation from easement registration (endorsed by Statewide but not introduced ).
3. Amendment of 87-1, General Statutes, excluding from regulation and licensing general contractors on projects financed by Federal agencies.
4. Clarification of eminent domain authority (endorsed by Statewide but not introduced ).

#### Telephone

##### Enacted:

Domestication of Non-Stock Foreign Corporations - H. B. 1051, ratified and effective April 29, 1953, Chap. 1152, amends Section 55 -118, General Statutes to permit the domestication of non-stock foreign corporation upon payments of prescribed fees.

#### B. Defensive

#### Electrification and Telephone

##### Failed:

Taxation - Electric Membership Corporations --S. B. 420, killed in Committee, would have repealed and reenacted Section 117-19, General Statutes, relating to the tax liability of electric membership corporations, to make elective cooperatives subject to the same taxes and assessments as private utilities. (This bill was sponsored by Sen. Calvin R. Edney of Madison County. It was opposed by the Statewide Association. At the hearing held on the bill by the Senate Finance Committee on April 15, Sen. Edney was the only person to testify in its behalf. Over 300 electric cooperative members attended the hearing, but none of them testified against the bill in as much as the Committee voted to kill it.)

#### C. Collateral

#### Electrification

##### Enacted:

Electrical Contractors - H. B. 133, ratified and effective April 1, 1953, Chap. 595, amends Section 87-43, General Statutes, relating to licenses issued to electrical contractors by requiring that a licensed contractor be on duty at the place of business at all times.

License Tax - Electricians - H. B. 120, ratified April 24, 1953 and effective June 1, 1953, Chap. 981, amends Section 105-91, General Statutes establishing a State-wide licenses tax for plumbers, heating contractors and electricians.

Power Board - Town of Murphy H.B. 417, ratified and effective April 15, 1953, Chap. 806, creates the "Town of Murphy Power Board" to operate the electrical power plant, transmission lines and other facilities owned by the town of Murphy.

#### Electrification and Telephone

##### Enacted:

Fees and Charges - N. C. Utilities Commission -- S.B. 166, ratified and effective April 17, 1953, Chap. 825, prescribes the fees and charges of the North Carolina Utilities Commission.

Mortgage Registration - S.B. 28 ratified April 30, 1953 and effective January 1, 1954, Chap. 1190, amends Section 47-20, General Statutes, relating to the registration of mortgages to include conditional sales of personal property.

General Contractor - Definition - H.B. 550 ratified and effective April 16, 1953, Chap 550, amends Section 87-1, General Statutes defining the term "general contractor," by increasing from \$15,000 to \$20,000 the amount of a contract which determines whether it is "general contracting."

##### Failed:

Public Utility - Rates - S.B. 342, died in Senate Public Utilities Committee, would have amended Section 62-124, General Statutes, relating to the establishment of rates of public utilities by providing that rates be based on the original cost of a utility's property, less depreciation allowances. (At present rates are based on replacement costs.)

H.B. 873 (same as S.B. 342) died in House Committee.

H. B. 862, died in House Committee, would have provided for a check of the books of a public utility in order to determine the reasonableness of its rates.

H.B. 801 died in House Committee, would have required public utility to notify their customers in advance of a public hearing on an application for a rate increase.

Taxation - S.B. 431, died in Senate, would have regulated the taxation of cooperatives dealing with non-members.

1953 Pennsylvania Legislation - Final Report  
Session: January 6, to July 27, 1953

A. Affirmative

Legislative Needs

Electrification

1. Clarification of cooperative eligibility to serve State agencies (see S. B. 163 below).
2. Amendment of Electric Cooperative Corporation Act to:
  - a. Remove limitation on service to members only.
  - b. Provide for amendment of by-laws by members rather than directors.

Item 2 was not considered sufficiently pressing to warrant action at this session; legislation thereon was not sponsored.

Telephone

1. Enactment of telephone cooperative act or amendment of existing cooperative or non-profit corporation law to make them available for telephone service organizations. The Department of State has refused to issue a charter for a telephone cooperative under the 1887 Productive and Distributive Associations Act (a cooperative enabling act) on the ground that the act is not available for this purpose. The Department has suggested use of the 1933 Non-Profit Corporation Law which, however, contains provisions making doubtful its availability for telephone cooperatives. (See below for bills amending this act.)

At the request of interested local groups, legislation was drafted amending the 1887 act specifically to authorize cooperatives organized thereunder to engage in the telephone business. Although several provisions of this act imposed burdensome and complicated corporate procedures, no further amendments were prepared.

Legislation was also drafted, on request, clarifying a cooperative's authority to acquire existing systems without commission approval.

Neither of these bills was introduced.

Legislation SponsoredElectrificationEnacted:

Cooperative Service to State Agencies - S. B. 163, approved and effective on August 24, 1953, was introduced as an administration bill through the State Attorney General and was actively supported by the Pennsylvania Association of Electric Cooperatives. It amends Act. No. 542 of 1951 (71 Purdon Stats. Sec. 187) relating to state purchases which had been interpreted as excluding electric cooperatives from supplying electric service to state agencies because of the omission of electric cooperatives from the list of eligible suppliers. The Senate passed S. B. 163, 45 to 0, on March 31, curing this omission. On June 8, the House amended the bill to impose a condition on cooperative service that service shall not be available from any of the other sources listed. The Senate refused to concur in the House amendment on June 24, and on July 25, just prior to adjournment, the House receded, completing legislative action on the bill in its original form. It is Act 390, Acts 1953.

B. Defensive

No legislation adversely affecting the rural electrification and telephone programs is reported to have been enacted. The following measures were introduced but failed to pass:

Electrification and Telephone

Eminent Domain - H. B. 645, died in House Committee on State Government, would have authorized State agencies and political subdivisions to appropriate by eminent domain the property or facilities of public utilities where public service is not materially interfered with and whenever satisfactory substitute facilities can be provided. (Since the term "public utilities" is not defined, could be interpreted to include electric cooperative property and facilities.)

S. B. 97, passed Senate 47 to 1 but died in House Judiciary Committee, would have prohibited the taking of property by condemnation until 80% of the amount admittedly due the owner was paid into court. This bill was opposed by the electric cooperatives.

County Gross Receipts Tax - H. B. 758, died in House Committee, would have imposed a 3% county tax on gross receipts from telephone messages transmitted within the county or electric light and power, water-power and hydro-electric business done within the county. There is some question as to the applicability of the tax, if the bill had been enacted, to electric cooperatives

because of the specific provision in the Electric Cooperative Corporation Act exempting them from all other state taxes upon payment of an annual fee of \$10 per 100 members. Telephone borrowers would have been subject to this tax if enacted.

### Telephone

Commission Jurisdiction - S. B. 440, died in Senate Committee on Corporations, would have required cooperative or non-profit telephone organizations to obtain certificates of public convenience before engaging in business and subjected them to Public Utility Commission regulation under the Public Utility Law. This bill was the same as H. B. 708 of the 1951 session which failed of passage by a margin of one vote in 1951 and was opposed by the Pennsylvania Association of Electric Cooperatives.

Taxation - H. B. 3, died in House Committee on Ways and Means, would have imposed a state tax on local and long distance telephone service.

H. B. 1527, died in House Committee on Ways and Means, would have imposed a state tax of 20¢ per month on each telephone, to be collected by the supplier from the subscriber.

### C. Collateral

### Electrification

#### Enacted:

State Regulation of Steam Power Dams - H. B. 1105 amends the 1933 State stream permit law by suspending the provisions of said law relating to dams or changes in streams to supply water for steam power until the Federal Power Commission shall require licenses for such dams or changes in streams and by making such dams or changes in streams subject, during the period of suspension to existing laws relating to water obstructions. Approved and effective July 29, 1953, Act 255.

#### Failed:

Municipal Utility Law - H. B. 150, died in House Committee on Public Utilities, would have provided a complete municipal utility enabling act, authorizing among other things the furnishing of electric service within or without corporate limits, and the condemnation of public utility property but not of property of a mutual, non-profit or cooperative association or organization.

Public Utility Regulation - S. B. 298, died in Senate Committee on Corporations, would have amended the 1937 Public Utility Law by requiring the Public Utility Commission to investigate and hold hearings in all proceedings on the approval of contracts between public utilities and municipalities.

S. B. 610, died in Senate Committee on Corporations, would have required every power company to deliver current to household consumers at the rated capacity of the lines at all times, and would have empowered the Public Utility Commission to enforce same.

Delaware River Basin Compact- H. B. 1295, passed House 141 to 26, died in Senate Committee on Forests and Waters, Game and Fish, would have authorized the Governor to enter into a compact with the States of New Jersey, Delaware and New York, and to apply on behalf of Pennsylvania for Congressional approval thereof, relative to the development of the water resources of the Delaware River Basin; and would have established the Delaware River Basin Water Commission, with authority to develop such resources, including provision for cooperation with other agencies in the development of hydro-electric power, but without power to engage in the transmission and distribution of power and energy except for its own use.

### Electrification and Telephone

#### Enacted:

Corporate Taxation - H. B. 811, approved and effective July 20, 1953 as Act No. 143, extends the 5% Corporate Net Income Tax Act through 1955.

H. B. 812, approved and effective July 17, 1953 as Act No. 124, extends the 1951 Corporation Income Tax Law through 1955. (This act specifically exempts non-profit corporations.)

H. B. 816, approved and effective July 27, 1953 as Act No. 190, extends the 14 mill per dollar gross receipts tax on electric and telephone companies, and other utilities, through 1954 after which the rate drops to 8 mills unless the higher rate is further extended. (Electric cooperatives are exempt from these taxes by virtue of specific exemption in the Electric Cooperative Corporation Act.)

Attachments to Utility Poles - S. B. 155, approved August 21, 1953 and effective January 1, 1954, makes it unlawful to drive a nail or tack or attach any metal or hard substance to or into any pole of a public utility pole line, but permits the owner or licensee to affix its metal or other markers or otherwise to use its poles in the public service, and also permits highway reflectors and traffic signs. It is Act 360, Acts 1953.

Failed:

Corporations - Constitutional Amendments - H. B. 1087, died in House Committee on Judiciary, would have deleted from the Pennsylvania Constitution sections 4, 6 and 7 of Article XVI, which provide for cumulative voting for directors by members or stockholders, prohibit corporate holding of real estate except as may be necessary or proper for its legitimate business, and require the consent of the holders of a majority in value of the corporate stock for an increase in the stock and indebtedness of a corporation. The last provision has been applied to REA electrification borrowers in connection with increase in debt limit. Enactment of this bill, eliminating this requirement, would have relieved borrowers of this onerous vote requirement.

Taxation of Public Service Companies - H. B. 101, 525 and 756 and S. B. 748, identical bills, all died in Committee, would have made the real property of public service companies, except for lines and pipes used for the transmission of electric power, messages, etc. and the rights of way on which they are located, subject to taxation for all county, city, borough, town, township, school and poor purposes.

H. B. 1571, died in House Committee on Ways and Means, would have enacted the Consumers Utility Tax of 1953, imposing a 5% tax on the cost of electric, telephone and other utility services, to be collected from the consumer; cooperatives would be specifically exempted.

Township Road Permits - H. B. 921, died in House Committee on Townships, would have amended the 1933 act relating to second-class townships to provide for the issuance of permits by and payment of permit fees to the townships rather than the State Highway Department, and for inspection of the work (including the erection of telephone, telegraph or electric light or power poles on township roads) by the township supervisors; and providing penalties for failure to obtain permits.

Public Utilities - Commission - H. B. 61, died in House Committee on Public Utilities, would have amended the 1937 Public Utility Law, by prohibiting increases in public utility rates without public hearing.

S. B. 220, died in Senate Committee on Corporations, would have amended 1937 Public Utility Law by creating within the Public Utility Commission a bureau of investigation to conduct field investigations into rate changes.

H. B. 102, 157, 410, 158, 388, and 409, all died in House Committee, would have provided for the election, in place of appointment by the Governor, of members of the Public Utility Commission, and for the election of the chairman by its members.

H. B. 690 and 759, both died in House Committee, would have provided that one member of the Public Utility Commission be a representative of organized labor.

S. B. 224 and H. B. 524 died in Committee, would have amended the 1937 Public Utility Law by defining the "fair value" of public utility property and providing that rates shall be such as to provide a fair return upon the fair value of the property.

H. B. 840, died in House Committee on Public Utilities, would have abolished the Public Utility Commission and created a Fair Rate Board in its place.

Public Utilities - Labor Disputes - H. B. 733, S. B. 693 and 729, all died in Committee, would have repealed the 1947 law covering the adjustment and settlement of labor disputes affecting public utilities.

Wages and Hours - S. B. 343, died in Senate Committee, would have prescribed an 8-hour day, 40-hour week, minimum wage of 75¢ per hour, and overtime compensation of  $1\frac{1}{2}$  times regular rate; inapplicable to employers with less than 5 employees.

Community Television Antenna Service - Regulation - H. B. 1456, died in House Judiciary Committee, would have amended the 1937 Public Utility Act to define as a "public utility" persons or corporations engaged in the transmission of television signals by cables to individual homes and places of business. If enacted, this bill would have affected the relationship between such services and REA borrowers if borrowers' poles were jointly used therefor.

Telephone

Enacted:

1933 Non-Profit Corporation Act - Amendment - S. B. 50, approved July 17, 1953 as Act No. 115, and effective September 1, 1953, authorizes non-profit corporations to designate corporate trustees for the investment of their funds and assets.

Failed:

1887 Cooperative Association Act - Amendment - S. B. 238, died in Senate Committee, would have substituted perpetual duration for present 30 year limit on existence.

1933 Non-Profit Corporation Act - Amendments - H. B. 1560, died in House Judiciary Committee, would amend several sections of this act to provide for substitution of Department of State for the courts of common pleas in connection with jurisdiction over formation, amendment and merger of non-profit corporations; to permit membership meetings at places fixed by the directors if so provided in by-laws; to provide for service of process on foreign non-profit corporations; and to provide a dissolution procedure.

H. B. 1582, passed House, died in Senate Judiciary Committee, would have provided a procedure for the registration with the Department of State of the corporate name of any non-profit corporation organized under a general or special law.

Charges for Limited Service - Regulation - H. B. 1372, died in House Public Utilities Committee, would have required the installation of meters and entrusted enforcement to the Public Utility Commission.

1953 Vermont Legislation - Final Report  
Session: January 7 to June 4, 1953

Governor's Message

The following excerpt is from the January 8, 1953 message of Governor Lee E. Emerson to the Vermont Legislature:

"St. Lawrence Seaway. Indications are that authority to develop the power phase of the St. Lawrence Seaway project will be forthcoming before too long, probably to the State of New York under the aegis of its New York Power Authority. If, as, and when this project is developed, whether by the Federal government or New York, Vermont wants to be sure to get a fair allocation of the power generated thereat. The New York Power Authority has previously stated that growing power needs of New York State alone could readily absorb the entire output. If Vermont is not in a position to receive this power when generated, New York could be very readily excused from setting aside any for our use. In view of this circumstance, No. 139 of the Acts 1951 constituting the Public Service Commission the bargaining agency of the state in this respect, should be carefully reexamined, and its scope broadened, if necessary, to provide assurance for the receipt of such power, if allocated to us, and its distribution as provided by the Act.

"Public Service Commission. Recent rate hearing cases have left the public with a sense of frustration, in being unable to terminate them quickly and in the public interest. They are intricate and involved proceedings, at best. There is involved in them the right of a utility to do business at a profit and realize a reasonable return on its investment. Out of these rate hearings there have developed certain conclusions of the distinguished counsel for the people to which I feel you will give careful and considerate treatment.

"Among them are these: Definite statutory authority should be conferred on the Public Service Commission to determine rates and fix the cost of depreciation. The statutes against discrimination in rate charging should be strengthened. The field should be explored, at least, on cooperating with our adjoining sister states in hiring the necessary experts on a full-time basis. More time should be given the Commission to determine difficult rate cases.

"Rate making is an intricate and exacting business. Few attorneys in Vermont are qualified by training and experience in this field because of its highly specialized nature. So it is small wonder it is a slow and laborious process at best.

"Any practical suggestions of a committee provided for at the Vermont Bar Association meeting should likewise be given careful consideration by you."

A. Affirmative

No affirmative program is reported to have been sponsored by REA borrowers in Vermont.

B. Defensive

No legislation which would have adversely affect the rural electrification or rural telephone programs was noted.

C. Collateral

Electrification

Failed:

Public Service Commission - H. 396, died in House, would have amended Section 3 of Act 193, Acts of 1951, relating to the powers of the Public Service Commission to act as agent of the state of Vermont in negotiations for the procurement of electric energy from sources outside of the state, by authorizing the Commission to enter into contracts for the transmission of such electric energy.

Public Utility Districts - H. 385, died in House, would have provided for the establishment and operation of public utility districts.

Electrification and Telephone

Enacted:

Public Service Commission - S. 76 amends Sections 9292 and 9295 of the Vermont Statutes relating to forms, pleadings and rules of practice before the Public Service Commission. Section 9295 is amended to provide for prehearing conferences in contested rate cases and establishes requirements as to filing of exhibits and evidence for use at rate hearings.

Failed:

Public Service Commission - S. 64, died in Committee on Judiciary, would have provided for the election of members of the Public Service Commission by popular vote.

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1953 Virginia Legislation

No session in 1953



Section 2.

Florida  
Georgia  
South Carolina

Section 2.

Florida

Georgia

South Carolina

1953 Florida Legislation - Final Report  
Session: April 7 to June 6, 1953

A. Affirmative

Legislative Needs

Electrification

1. Three-year staggered terms for cooperative trustees (see S.B. 129 below).
2. Continuance of cooperative service in areas, formerly rural, which are annexed to municipalities (extent of need not determined; no legislation recommended).

Telephone

1. Telephone cooperative enabling act (not recommended as existing cooperative act appeared available although not entirely suitable).

Legislation Sponsored

Electrification

Enacted:

Rural Electric Cooperative Act - Trustees Terms - S.B. 129, approved and effective May 27, 1953, Chapter 28053, amends Rural Electric Cooperative Law (Subsection 3 of Section 425.10, Florida Statutes) relating to election of trustees of rural electric cooperatives by providing for three-year staggered terms in place of present two-year terms (H. B. 191, same as S.B. 129, substituted in House by S.B. 129).

Public Utility Franchises - Liberty County - H. B. 1554, law without approval June 15, 1953, Chapter 29250, exempts rural electric cooperatives from the provisions of H. B. 221, law without approval April 28, 1953, Chapter 29248, which authorizes the county commissioners of Liberty County to grant franchises for the operation of public utilities in Liberty County. (Talquin Electric Cooperative of Quincy, Florida, serves most of Liberty County. When officials of the cooperative learned of the passage of H. B. 221 they requested that it be amended to exempt rural electric cooperatives from its provisions).

Telephone

No affirmative telephone legislation is reported to have been sponsored by telephone borrowers.

B. Defensive

Electrification

No legislation which would adversely affect the rural electrification program was noted.

Telephone

Enacted:

Certificates of Convenience and Necessity - H. B. 19, law without approval and effective May 19, 1953, Chapter 28013, authorizes the Florida Railroad and Public Utilities Commission to issue certificates of convenience and necessity to persons operating or constructing any line, facility or system used in furnishing telephone service within the State, prohibits such service without certificate, and authorizes the Commission to issue a certificate to another system if the company holding the certificate fails or refuses to provide reasonably adequate service. (This bill is reported to have been initiated by the Commission). (S.B. 41, same as H. B. 19, withdrawn in Senate).

C. Collateral

Electrification

Enacted:

Electrical Installations - H. B. 1346, law without approval June 4, 1953, Chapter 28539, authorizes county commissioners in counties of a population between 120,000 and 150,000 to adopt rules and regulations to protect life, health and property directly or indirectly connected with any and all electrical installations.

H. B. 1612, law without approval June 15, 1953, Chapter 29262, provides for regulation of electrical installations and repairs in Manatee County.

H. B. 1852, law without approval June 15, 1953, Chapter 29530, provides for the regulation of all electrical installations outside the corporate limits of municipalities in Sarasota County.

Gross Receipts Taxes - H. B. 21, law without approval and effective June 2, 1953, Chapter 28091, adds Section 203.011 to the Florida Statutes, to provide that "whenever a purchase is made of any utility service and a tax is paid thereon by a municipality or a rural electric cooperative association as provided in Section 203.01 of this Chapter, and such municipality or rural electric cooperative association resells the same directly to consumers, such municipality or rural electric cooperative association shall be entitled and shall receive credit upon such taxes as may be due by it under Section 203.01 of this Chapter to the extent of the tax paid or payable upon such utility service by the person, firm or corporation from whom such purchase was made".

Failed:

High-Voltage Lines - H. B. 627, died in House, related to the prevention of accidents due to proximity of high-voltage lines. This bill would have provided for the establishment of precautions to be taken in the vicinity of high-voltage lines. The administration and enforcement of this bill would have been made the responsibility of the Florida Industrial Commission. (S.B. 498, same as H. B. 627, died in House).

Electrification and Telephone

Enacted:

Eminent Domain Procedure - H. B. 45, law without approval May 14, 1953, Chapter 28007, relating to eminent domain procedure adds Sections 74.141 and 74.142 to the Florida Statutes extends to rural electric and telephone cooperatives, and to public utilities for transmission lines only the eminent domain procedure prescribed for public bodies.

(The Florida REA Cooperatives Association was consulted by the public utility sponsors of this legislation who furnished the Association with copies of the draft bill, requested comments and recommendations, and also asked the Association to consider becoming co-sponsors. At the request of the Florida Association REA reviewed the bill and recommended alternative language if the Association decided to support this legislation. The electric co-ops did not sponsor or oppose the bill. S. B. 31, same as H. B. 45, died in Senate.)

Easements over County Roads - Indian River County - H. B. 482, law without approval May 11, 1953, Chapter 29154, authorizes the Indian River Board of County Commissioners to grant easements and franchises over county roads for poles and lines, etc. for the transmission and distribution of electric power and for telephone and telegraph purposes, etc.

St. Lucie County - H. B. 259, law without approval April 30, 1953, Chapter 29497, relates to easements over county roads in St. Lucie County for electric, telephone lines, etc.

Failed:

Florida Railroad and Public Utilities Commission - H. B. 238, died in Senate, would have increased the number of commissioners on the Florida Railroad and Public Utilities Commission, divided the state into commissioners districts and provided for the election of a commissioner from each district.

Public Utility - Labor Disputes - H. B. 941, died in House, would have repealed Chapter 453, Florida Statutes, relating to arbitration and collective bargaining of labor disputes between public utility employers and employees. (S.B. 838, same as H. B. 941, died in Senate).

1953 Georgia Legislation - Interim Report  
Session: January 12 to February 25, 1953\*

\*(Legislature recessed to November 16, 1953. The regular session of the Georgia legislature convenes biennially in odd-numbered years and its meetings are limited to 70 calendar days. The legislature may recess before the expiration of the time limit and reconvene at any later time to complete the balance of the session. There are 25 days remaining to this session. Legislation not finally disposed of at the first meeting may be considered at the next meeting along with newly introduced bills.)

A. Affirmative

Legislative Needs

The following items were considered by REA borrowers in Georgia:

Electrification

1. Amend subsection (b) of Sec. 34-A-128a, Ga. Code 1933, as amended by Act No. 683, Acts 1950, to perfect 1950 amendment of provision of Electric Membership Corporation Act relating to disposition of cooperative property. (Not introduced in January-February session.)
2. Exempt electric cooperatives from 1950 sales tax act. (Since cooperatives have not found any difficulty in connection with operation of sales tax, no curative legislation was sought.)
3. Amendment of by-laws by members. (No interest evidenced in this amendment and no action taken.)
4. Continuance of cooperative service in areas which lose their rural character; anti-pirating. (Draft of bill prepared by J. E. Terrell, attorney for Troup County Electric Membership Corp., Ga. 20, was submitted to REA for comment by Robert D. Tisinger, attorney for Georgia statewide. As drafted, the bill related only to service in rural areas annexed to municipalities. A revised draft of this bill was prepared and submitted to Mr. Tisinger which would permit continued cooperative service in areas which lose their rural character for any reason and which would prohibit pirating of cooperative consumers. It was not introduced during the January-February session.)

Telephone

1. By request a bill was drafted amending the 1950 Rural Telephone Cooperative Act to: (a) amend Sec. 3 (d) defining "rural area" to eliminate that portion of the definition of "rural area" which excludes "suburban or populated area" contiguous to cities, towns,

etc. with 1,500 or more inhabitants, and (b) amend Sec. 4(d) to permit cooperatives to furnish telephone service outside of rural areas "where necessary to furnish, improve and expand telephone service in rural areas;" and (c) amend Sec. 4(e) to eliminate prohibition against cooperative facilities in cities or towns having a population in excess of 1,500, and substitute a prohibition against duplication of facilities providing reasonably adequate service. (This legislation was not introduced. However, see H. B. 134, below.)

2. Amend Section 8 of the 1950 Rural Telephone Cooperative Act to exclude cooperatives from definition of word "person", thereby exempting telephone cooperatives from PSC jurisdiction with respect to certificates of convenience and necessity. (No legislation recommended or introduced on this subject.)

### Legislation Sponsored

#### Electrification

No affirmative legislation is reported to have been sponsored by the Georgia Electric Membership Cooperative.

#### Telephone

#### Enacted:

Rural Telephone Cooperative Act - H. B. 134, approved and effective February 18, 1953, Act 153, permits telephone cooperatives to operate in cities having a population of not more than 2,100 and not less than 2,075. (This legislation was sponsored by a cooperative telephone borrower to enable it to operate in one specific town.) H. B. 249, approved and effective February 19, 1953, Act 168, requires telephone cooperatives to secure consent from affected governing authorities before constructing telephone lines along roads, highways, streets, bridges, etc.

### B. Defensive

#### Electrification

#### Failed:

Electric Membership Corporation Act - H. B. 161, killed in Committee on February 3, 1953 by vote of 11 to 1, would have amended the Electric Membership Corporation Act to place cooperatives under the jurisdiction of the Public Service Commission.

Telephone

No legislation which would adversely affect the rural telephone program was noted.

C. CollateralElectrification and TelephoneEnacted:

Securities Act - S. B. 132, approved and effective March 3, 1953, Act 397, repeals 1920 law and amendments relating to securities and enacts a complete new securities act in its place.

Public Service Commission - H. B. 72, approved and effective February 18, 1953, Act 159, authorizes a contingent expense allowance for members of the Public Service Commission. H. B. 71, approved and effective February 18, 1953, Act 160, creates the positions of Associate Public Service Commissioners.

Utility Property - Trusts - H. B. 474, approved and effective March 4, 1953, Act 413, provides for creation of trusts to hold title to properties used or useful in furnishing utilities or other services, to secure an obligation to furnish such utilities or services to other property to be benefited by such utilities or services.

Pending

Public Service Commission - H. B. 238, pending in Committee, would amend Sec. 93-211, Code of Georgia, 1933, to provide that the Public Service Commission may be sued or enjoined in the locality affected by a ruling of the Commission and to provide for the holding of a local hearing in the affected area.

1953 South Carolina Legislation - Final Report  
Session: January 13 to May 2, 1953

(Note: The General Assembly of South Carolina is elected for a two year term and meets in annual sessions. The first term of each legislature convenes in the odd-numbered years. Legislation introduced during the first session and not finally disposed of may be considered during the second session of the legislature. The second session of the current General Assembly will convene January 12, 1954.)

A. Affirmative

Legislative Needs

The following was sponsored by the South Carolina Electric Cooperative, Inc.:

Electrification and Telephone

Amendment of Section 60-307, Code of Laws of South Carolina, 1952, to exempt REA mortgages from chattel mortgage renewal affidavit requirement (see S. B. 128, below).

The following items were considered for sponsorship by the legislative committee of the South Carolina Electric Cooperative but it was decided not to introduce this legislative program this year:

Electrification

1. Amendment of Rural Electric Cooperative Act (Section 8555 - 93(d) and 8555 - 121(a) Code of Laws of South Carolina, 1942) to permit cooperatives to serve in areas which lose their rural character.
2. Amendment of Rural Electric Cooperative Act (Section 8555-2, Code of Laws of South Carolina, 1942) relating to the extension of electric service by a municipality or an electrical utility (anti-pirating legislation).
3. Liberalization of the present requirements of Section 21 of the Rural Electric Cooperative Act (Section 8555-111, Code of Laws, 1942) requiring two-thirds vote of the members to authorize disposition of cooperative property, by providing for inter-cooperative transfers by the board of directors upon authorization by a majority of those members voting thereon at a membership meeting.

Telephone

The State Association decided not to initiate any rural telephone legislation at this session.

Electrification and TelephoneEnacted:

REA Mortgages - Renewal Affidavit - S. B. 128, approved and effective March 27, 1953, Act 117, amends Section 60-307, Code of Laws of South Carolina, 1952, which excepts certain mortgages from the provisions of Sections 60-305 and 60-306 (relating to the notice given by the recording of chattel mortgages and the method for extending the effect of such recording) to include mortgages given to secure any indebtedness to the United States of America incurred under the Rural Electrification Act of 1936, as amended.

B. Defensive

No legislation which would adversely affect the rural electrification or telephone programs was noted.

C. CollateralElectrificationEnacted:

Power Tax-Exemptions - H. B. 1367 approved and effective April 10, 1953, Act 217, amends Section 65-902, Code of Laws of South Carolina, 1952, relating to exemptions from the power tax so as to exempt electric power used in manufacturing or generating hydro-electric power and steam electric power, and electric power used in the operation of such electric power manufacturing or generating plants.

Utility Companies - Sale of Stock - S. B. 202, approved and effective April 25, 1953, Act 327, adds Section 24-86 to the Code of Laws of South Carolina, 1952, to authorize electrical utility companies to sell stock in such companies to employees and to permit deductions from their wages to pay for same, when voluntarily requested by such employees.

Pending:

Electrical Utility - Definition - H. B. 1196, pending in House Judiciary Committee, would amend paragraph 7 of Section 24-1, Code of Laws of South Carolina, 1952, relating to the definition of "electrical utility" by striking out the following language "but it shall not include a person, corporation or municipality furnishing electricity only to himself or itself, their residents, employees or tenants when such current is not resold or used by others".

Electrification and Telephone

Enacted:

Public Service Commission - H. B. 1364 approved and effective April 25, 1953, Act 337, amends Section 58-52, Code of Laws of South Carolina, 1952, to increase the terms of office of the Public Service Commissioners from two to four years.

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1953 Alabama Legislation - Interim Report\*  
Session: May 5 to September 11, 1953

A. Affirmative

Legislative Needs

Electrification

1. Amend Sec. 21 of Electric Cooperative Act to eliminate requirement of approval by Department of Finance before issuance of obligations.
2. Clarification of income tax exemption.

Telephone

1. Amend Act 339, Laws of 1949 and Act 613, Laws of 1951, to permit service and ownership and operation by telephone cooperatives of facilities in nonrural areas where required for rural service.

Legislation Sponsored

Electrification

No affirmative program of legislation was reported to have been undertaken by the Alabama Rural Electric Association of Cooperatives.

Telephone

Pending:

Cooperative Telephone Act - H. B. 373, introduced May 29, 1953 and referred to the House Judiciary Committee, is a complete enabling act for the formation of cooperative, general welfare, membership corporations to supply telephone service without the limiting provisions and Public Service Commission jurisdiction provided for in the 1949 law authorizing the function of telephone cooperatives under the Electric Cooperative Act.

B. Defensive

No legislation which would adversely affect the rural electrification or rural telephone programs has been noted.

C. Collateral

Electrification

Enacted:

Condemnation - Electric Utilities - S. B. 80, approved August 28, 1953, confers additional rights and powers upon electric public utility corporations, both domestic and foreign, including the right to acquire by

(\* Final disposition of all bills not reported as of September 25, 1953.)

condemnation lands, rights of way and easements for plant sites and transmission and distribution lines. (H. B. 205, same as S. B. 80)

Failed:

Tennessee Valley Authority - Facilities - S. B. 488, died in Senate, proposes an amendment to the Constitution of Alabama, providing for the acquisition and operation of certain facilities of the Tennessee Valley Authority in the event that such facilities are disposed of by the Federal Government. (H. B. 1003, same as S. B. 488, died in House)

Pending:

Municipal Utilities - S. B. 202, introduced June 2, 1953, would amend Act 175, Laws of 1951 relating to the board of directors of a municipal utility by increasing the number of directors from three to five, providing for six year staggered terms, and the appointment of such members by the governing board of the municipality.

Electrification and Telephone

Pending:

Contractors - Licensing - S. B. 220, would amend Sections 65, 73, 74 and 80 of Title 46, Code of Alabama, 1940 relating to the State Licensing Board for General Contractors.

Engineers - Licensing - H. B. 387, introduced June 2, 1953 and referred to the House Judiciary Committee, would amend Section 140 of Title 46, Code of Alabama, 1940 relating to the qualifications of licensed engineers and land surveyors.

Telephone

Enacted:

Colbert County - Telephone Systems - H. B. 501, approved July 2, 1953, repeals Act 431, Acts of 1951, authorizing municipal corporations in Colbert County to establish and operate telephone systems and to furnish telephone service to residents of the municipal corporations and surrounding territory.

Pending:

Telephone Rates - H. B. 848, would provide further regulation of toll charges and rates for intrastate long distance telephone calls. (S. B. 441, same as H. B. 848.)

Lamar County - Telephone Systems - H. B. 497, would authorize municipal corporations in Lamar County to establish and operate telephone systems and to furnish telephone service to residents of the municipal corporations and surrounding territory; exempting such corporation from the jurisdiction of the Public Service Commission.

Franklin County - Telephone Systems - S. B. 356, would repeal Act 537, Acts of Alabama 1951, authorizing municipal corporations in Franklin County to establish and operate telephone systems and to furnish telephone service to residents of the municipal corporations and surrounding territory.

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1953 Kentucky Legislation

No session in 1953

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1953 Mississippi Legislation

No session in 1953

1953 Tennessee Legislation - Final Report  
Session: January 5 to April 10, 1953

A. Affirmative

Legislation Needs:

Electrification

Ad valorem Taxes - The Tax Committee of the Tennessee Rural Electric Cooperative Association considered the problem of ad valorem tax assessments and the possibility of sponsoring legislation on this subject. In lieu of this, efforts were directed at working out an administrative solution through conferences with the Tennessee Railroad and Public Utilities Commission.

Telephone

Compulsory interconnection statute. (At the present time there is no statute requiring interconnection of telephone facilities. However, no efforts in this direction were made at the present session.)

Legislation Sponsored

No affirmative program is reported to have been sponsored by the Tennessee Rural Electric Cooperative Association.

B. Defensive

Electrification

No legislation which would adversely affect the rural electrification program was noted.

Telephone

Failed

Telephone Lines - Relocation - H. B. 912, failed to pass, would have amended Sec. 3095, Code of Tennessee to require telephone and telegraph companies to move their lines at their own expense whenever necessary in order to widen, improve, reconstruct, repair, relocate or maintain any public highway or street. (H. B. 581, H. B. 889, S. B. 531, and S. B. 664, same as or similar to H. B. 912, all failed to pass.)

C. Collateral

Electrification

Enacted:

Tennessee Cooperative Industrial Development Act - H. B. 1077, approved April 10, 1953, Chap. 219, creates the Tennessee Industrial and Agricultural Development Commission to provide for the promotion of industry in Tennessee through the location of additional industries and businesses and aid to existing industries. The activities of the Commission are to be financed cooperatively through appropriations from the State and voluntary contributions from municipalities, counties and also from cooperative electric power distributors of the State.

Tennessee Valley Authority - S. Res. 3, adopted by the Senate, urges the Congress of the United States to reject any plan proposing to sell the Tennessee Valley Authority to private investors.  
H. Res. 37, adopted by the House, protests the removal by the Tennessee Valley Authority of any of its offices from the State of Tennessee.

Failed:

Public Utility - Labor Disputes - H. B. 449, failed to pass, would have prohibited strikes in public utilities before notice and arbitration. (S. B. 352, same as H. B. 449, failed to pass). (These bills are reported to have been sponsored by the Tennessee Businessmen's Association and opposed by the Tennessee Rural Electric Cooperative Association.)

Electrification and Telephone

Enacted:

Railroad and Public Utilities Commission - Procedure - H. B. 914 approved and effective April 10, 1953, Chap. 162, provides for the adoption of rules of procedure by the Railroad and Public Utilities Commission of the State of Tennessee.

Failed:

Utilities - Franchises - H. B. 902, failed to pass, would have amended Section 5448, Code of Tennessee, to make it unlawful to operate as a public utility without a franchise. (S. B. 722, S. B. 925 and H. B. 1158, same as or similar to H. B. 902, all failed to pass.)

Non-Profit Corporations - Judgments - S. B. 336, failed to pass, would have provided for the satisfaction of judgments against corporations not for profit rendered because of tort liability if insurance in the minimum amount of \$25,000 for each accident is not carried with an insurance company qualified to do business in Tennessee.

Public Utilities - Assessments - Judicial Proceedings - S. B. 175, failed to pass, would have authorized the Chief Justice of the Supreme Court to designate two or more trial judges to sit with a regular trial judge in cases involving assessments of public utilities for taxation or other matter affecting their rights, service rates, etc. (S. B. 384 similar to S. B. 175, failed to pass.)

Telephone

Enacted:

Telephone Operators - S. B. 836, approved and effective April 10, 1953, Chap. 242, amends Section 5325, Code of Tennessee to permit female telephone operators to work 54 hours a week.

1. The first part of the report is a general introduction to the subject of the study. It discusses the importance of the study and the objectives of the research.

2. The second part of the report is a detailed description of the methodology used in the study. It includes information about the sample size, the data collection methods, and the statistical analysis techniques.

3. The third part of the report is a discussion of the results of the study. It presents the findings of the research and discusses their implications for the field of study.

4. The fourth part of the report is a conclusion and a summary of the main findings. It also includes recommendations for further research and a list of references.

5. The fifth part of the report is an appendix containing additional information related to the study, such as raw data, detailed calculations, and supplementary figures.

6. The sixth part of the report is a list of references, which provides a comprehensive overview of the literature related to the study.

7. The seventh part of the report is a list of figures and tables, which provides a visual representation of the data and results of the study.

Section 4.

Indiana  
Michigan  
Ohio  
West Virginia

Section 4.

Indiana  
Michigan  
Ohio  
West Virginia

1953 Indiana Legislation - Final Report  
Session: January 8 to March 9 (11), 1953

A. Affirmative

Legislative Needs:

The Indiana Statewide Rural Electric Cooperative, Inc. considered the following legislative proposals:

Electrification

1. Amendment of Rural Electric Membership Corporation Act to:
  - a. Permit continued operation in areas which lose their "rural" character (see S. B. 77, below).
  - b. Provide for service to limited number of non-members to resolve doubt as to propriety of service to state agencies.
  - c. Liberalize quorum and voting requirements, and authorize directors to mortgage property to the United States (see S. B. 76, below).
  - d. Provide for amending of by-laws by members as well as directors.
  - e. Provide for the organization and operation of federated cooperatives.
  - f. Eliminate \$100,000 limitation on acquisitions.
  - g. Clarify validity of adoption of Capital Credits plan.

Telephone

1. Amendment of 1951 Rural Telephone Cooperative Act to:
  - a. Remove limitation on service to rural areas only.
  - b. Eliminate requirement of consent of at least one-half the heads of farm families in the areas affected for change in service area described in the articles.
  - c. Make provision for non-voting stock so that REA equity requirements might be met otherwise than by membership fees.
  - d. Eliminate unnecessarily restrictive provision for Commission jurisdiction.
  - e. Liberalize requirement of vote of three-fourths of members and directors present at meeting for mortgaging, etc. cooperative property.

(These proposals were not recommended since the Not-for-Profit Corporation Act was being used for the formation and operation of telephone cooperatives.)

2. Amend Not-for-Profit Corporation Act to eliminate 3/4 vote requirement for encumbering utility property.

## Legislation Sponsored

### Electrification

#### Enacted:

Amendment of REMC Act - S. B. 76, approved and effective March 3, 1953, Chapter 47, amends Section 12 (Burns Indiana Statutes, Section 55-4412) relating to disposition and encumbering of cooperative property, by adding a proviso permitting the board of directors without authorization by members, to mortgage property to the United States.

S. B. 77, approved and effective March 3, 1953, Chapter 48, amends Section 4 (b) (Burns Indiana Statutes, Section 55-4404(b)) relating to articles of incorporation, by restricting the limitation against operation in territory including cities and towns having population in excess of 1,500 to "the time such articles are first approved by the Public Service Commission". This change legalizes continued cooperative service to areas which are annexed by cities or towns of more than 1,500 population and to cities and towns whose population exceed 1,500 subsequent to the approval of the cooperative's articles. However, this bill was amended prior to final passage by addition of a new Section 18A (Burns Indiana Statutes, Section 55-4418A) which provides that where an annexation occurs, the system (commercial, cooperative or municipal) serving the municipality shall negotiate the purchase, or commence condemnation within 90 days after annexation, of the electric facilities of the system (commercial, cooperative or municipal) serving the annexed area; otherwise the latter system shall continue such service. Since in most cases the cooperatives are the utilities serving in the annexed area, this section will work to their detriment.

S. B. 78, approved and effective February 28, 1953, Chapter 23, amends Section 3(n) (Burns Indiana Statutes, Section 55-4403(n)) defining the word "territory" as modified by the phrase "already being served with energy by any public or municipally owned utility", to clarify other provisions dealing with territorial limitations.

### Telephone

No telephone legislation was sponsored by REA borrowers in Indiana.

#### B. Defensive

No legislation which would adversely affect the rural electrification or rural telephone programs was noted.

C. CollateralElectrification and TelephoneEnacted:

Mortgages - Release - S. B. 93, approved and effective March 9, 1953 Chapter 125, amends act relating to release of mortgages (Burns Indiana Statutes, Section 56-709 and 710) by adding "treasurer" to the list of officers of a corporation who may sign a release of a mortgage.

Series Mortgage - Termination - S. B. 159, approved March 5, 1953, Chapter 64, provides for the termination of the lien of a series mortgage 10 years after the final maturity date of said mortgage.

Failed:

Public Service Commission - Rate Hearings - S. B. 47, died in Senate, would have required the Public Service Commission to hold rate hearings in the city or town or county seat of the county which would be affected. (H. B. 148, similar to S. B. 47, passed House, died in Senate.)

Public Service Commission - Investigation - H. B. 467, passed House, died in Senate, would have created a committee to investigate reported illegal practices of the Indiana Public Service Commission.

Utilities - Labor Relations - H. B. 326, died in House, would have repealed the Compulsory Utility Arbitration Act of 1947.

Public Utilities - Stock - S. B. 228, died in Senate, would have prohibited any public utility from issuing stock except for the purpose of capitalizing retained earnings.

TelephoneEnacted:

Amendment of General Not-for-Profit Corporation Act - S. B. 18, approved February 20, 1953, Chapter 14, amends Section 10 (Burns Indiana Statutes, Section 25-516) relating to directors, to prescribe three as the minimum number of directors in place of four; to provide that the exact number, or the minimum and maximum number, shall be prescribed in the articles of incorporation. If the minimum and maximum number are stated, the exact number shall be prescribed in the by-laws.

Amendment of Domestic Corporations for Profit Act - S. B. 19, approved and effective February 23, 1953, Chapter 19, amends Sections 6 and 9, (Burns Indiana Statutes, Section 25-205) relating to shares of stock and directors.

1953 Michigan Legislation - Final Report  
Session: January 14 to July 3, 1953

A. Affirmative

Legislative Needs:

The following items were carried over from previous years but were not introduced in the 1953 session:

Electrification:

1. Amendment of laws covering construction standards to exempt 24,940/14,400 volt construction from the ground clearance requirements of NESC and establish more liberal clearance requirements (not recommended).
2. Authorize sale of all or substantial portion of cooperative property to another cooperative by board of directors (not recommended).

Telephone

1. Amendment of Corporations Not for Pecuniary Profit provisions of General Corporation Act, 1948 Corp. Laws, Sec. 450.3 to provide for incorporation of nonprofit telephone companies, existing laws not being available for this purpose.

Legislation Sponsored:

No affirmative program is reported to have been sponsored by REA borrowers in Michigan.

B. Defensive

Electrification

Failed:

Electrical Administrative Board - S. 1162, died in Senate Committee on State Affairs, would have provided for: the creation of an electrical administrative board with authority to establish minimum standards for electrical equipment and its installation; statewide inspections of electrical installations and the appointment of electrical inspectors; the licensing of electrical contracting firms and electrical journeymen; the prohibition of the installation of electrical equipment without first securing a permit and making it unlawful to supply current to an illegal installation of electrical equipment; licensing of electrical contractors and journeymen. (This bill is similar to S.B. 151 and H.B. 186 of the 1952 session and S.B. 120 of the 1951 session, all of which failed of enactment).

C. Collateral

Electricification and Telephone

Enacted:

Non-Profit Corporation - Annual Report - S. 1002 approved and effective March 12, 1953, Public Act 6, Amends the General Corporation Act to require the filing of annual reports and privilege fees by profit and non-profit corporations by May 15 of each year instead of August.

Income Tax - H. 353 law without approval June 2, 1953 effective July 1, 1953, Public Act 150, places a tax on income of persons engaging in any activity for gain. Section 1(m) of the act defines "public utility" or "public utilities" to mean "any activity carried on under rates, rentals, tolls, charges and tariffs prescribed by or on file with a state or federal regulatory agency or commission." Section 2 establishes the rate of tax to be paid and provides that for public utilities the rate shall be 1 mill on the adjusted receipts of the business, or in the case of a public utility taxpayer deriving receipts from a multistate business, 1 mill on the adjusted receipts of such business allocated to the state of Michigan. However Section 4(c) exempts from the tax the "adjusted receipts of ... nonprofit associations and corporations organized and operating under sections 117 to 132, inclusive of Act No. 327 of the Public Acts of 1931, as amended, being sections 450. 117 to 450. 132, inclusive, of the Compiled Laws of 1948 .... "(The electric cooperatives in Michigan are organized under this portion of the General Corporation Act.)

1953 Ohio Legislation - Final Report  
Session: January 5 to August 7, 1953

A. Affirmative

Legislative Needs

Electrification

1. Eliminate requirement of affidavit in connection with recordation of REA mortgages (not recommended).
2. Validate after-acquired property clause in REA mortgages (not recommended).
3. Authorize organization of generating cooperatives to meet attorney general's adverse ruling (not recommended).
4. "Anti-pirating" legislation. (See H. B. 530, below)

Telephone

1. Exemption from FUC jurisdiction (not recommended).

Legislation Sponsored

Electrification

Enacted:

"Anti-pirating" bill - H. B. 530, approved July 17, 1953 and effective October 17, 1953, passed both Houses by wide majorities (100-17 in House; 26-3 in Senate; House concurred in Senate amendments 98-11). The bill, as introduced in substantially the same form as drafted by state association counsel, authorized a public utility, nonprofit as well as profit, to complain to the public utility commission when another public utility proposed to furnish or furnished service to premises which are or were being served by the complainant. Upon a finding by the commission that the complainant was furnishing adequate service and that its facilities would be duplicated, the commission would bar the duplicating services. The Senate amended the bill to prohibit duplicate service to a "consumer" rather than to "premises"; to require that the complaint be filed within 90 days from the date the complainant discovers that another utility proposes service; and to bar a complaint as to a consumer who has been disconnected for more than 90 days. Cooperatives would, despite their commission-exempt status otherwise, be subject to the provisions of the bill as well as eligible to complain thereunder.

Telephone

Enacted:

Regulation of Telephone Utilities - Enforcement of Adequate Service - H. B. 134, approved July 27 and effective October 27, 1953, was one of several bills reported to have been sponsored and/or supported

by the major farm organizations, the public utility commission and the Ohio Rural Electric Cooperative, Inc. (see H. B. 133, 135, 136, 378 below). As enacted, the bill amends several sections of the public utility law, some relating to utilities generally, but dealing principally with telephone utilities, including nonprofit telephone systems, and enacts several new sections dealing with telephone service. The following are the significant changes in or additions to existing law:

1. Telephone companies may be required by the commission, or on request of 15% of the subscribers of any exchange, to file with annual reports to the commission supplementary reports for exchange areas.
2. Requires telephone companies to file with the commission, unless otherwise ordered, a copy of any contract, agreement, note, bond, or other arrangement entered into with any telephone management, service or operating company.
3. Commission to ascertain, determine and prescribe proper and adequate depreciation or deferred maintenance account charges in each exchange area.
4. Telephone companies serving 500 or more telephones deemed to be furnishing inadequate service if more than 10 subscribers on one line, after January 1, 1955. (The 1949 law which initiated this test set January 1, 1952 as the effective date and excluded exchanges serving less than 500 telephones; see H. B. 136 below).
5. Commission given new authority to investigate and prescribe minimum reasonable standards for adequate telephone service.
6. Commission newly empowered, after notice and hearing, to authorize service by a different telephone company where existing company is found to render inadequate service.
7. Commission newly empowered, where existing company unable or unwilling to render adequate service in any portion of its territory, to recommend integration with companies in adjoining areas. If integration not effected within prescribed time, commission may authorize any telephone company to serve the area, or may order another company to serve provided such order will not prevent earning fair return. In such case, it is made unlawful for the existing company to continue its inadequate service if another company institutes service in the area.
8. Provides for hearing, after notice and publication, of complaint as to any aspect of telephone service filed by 100 subscribers or 5% of the subscribers to any telephone exchange, whichever is smaller, or by legislative authority of a municipality served by the telephone company; authorizes commission to determine and order the service and equipment to be furnished, the repairs, improvements and additions to be made, and the rules, regulations and practices to be adopted, with penalties prescribed for non-compliance.

9. Revises statutory requirements relative to issuance of securities and obligations, including a new requirement as to telephone companies requiring that it be stated in the application therefor that the company is not in violation of any commission order with respect to adequacy of service or the matters listed in 8. above. Prohibits any dividends by telephone company while in violation of such orders except when the commission finds that such dividend will not postpone compliance with such order or affect the adequacy of service, or where, in case of a cash dividend, the company sets aside in a special reserve fund funds equivalent to the amount of the dividend expendable only with the consent of the commission while the company is in violation.

Failed:

Regulation of Telephone Utilities - H. B. 133, died in House, would have empowered the commission to require telephone companies to file a proposed budget of expenditures in the forthcoming year for executive salaries, officers, directors, advertising, lobbying, entertainment, political contributions, and major contracts for the purchase and sale of facilities, and all payments for advice, auditing, associating, sponsoring, engineering, managing, operating, financial, legal or other services, and to limit such expenditures to those approved by the commission; required publication of applications to issue securities and obligations; required commission approval of all dividends and authorized the commission to require the establishment of a special reserve fund out of earnings expendable with the commission's consent for capital or current purposes; and authorized the commission to appoint a receiver if the telephone company is insolvent or has engaged in practices found contrary to good business practice in the industry.

H. B. 135, died in House, as originally introduced, would have required the Attorney General to plead telephone rate cases before the commission or on appeal at the written request of 10 subscribers or upon the request of a village or city council.

H. B. 136, died in House, would have amended Sec. 4905.23, Rev. Code (sec. 614-12a Gen. Code) by fixing the date of October 2, 1953 in place of January 1, 1952, when service to more than ten subscribers on a line shall be deemed prima facie evidence of inadequate services by a telephone company, and by making the section inapplicable to companies rather than exchanges serving less than 500 telephones. (Note: This section was originally enacted in 1949; H. B. 134, paragraph 4 above, enacts the same provisions as contained in H. B. 136 except that January 1, 1955 is prescribed as the effective date.)

H. B. 378, died in House, would have revised existing provisions of law relating to certificates of public convenience and necessity for telephone companies, requiring all companies actually operating prior to October 2, 1953 to file affidavits showing location of physical property and area served, whereupon a certificate will issue only for areas actually served if affidavit found true and correct. Certificates to serve area already being served by another company would be granted only when existing company is not providing adequate and necessary service. Would have authorized cancellation of certificate and grant thereof to another company, on commissions finding, after hearing, that existing company was not providing adequate and necessary service after being given a reasonable time, not less than 180 days, to provide such services. Would also have prohibited the exercise by a telephone company of any permit, right, license, or franchise granted prior to June 20, 1911 but not actually exercised, or granted after such date, to furnish service in any locality where another company was furnishing adequate service unless a certificate to exercise same is obtained.

#### B. Defensive

No legislation which would adversely affect the rural electrification and telephone programs was noted.

#### C. Collateral

### Electrification and Telephone

#### Enacted:

Rehearings on FUC Orders - H. B. 635, approved July 3 and effective October 2, 1953, prescribes parties who may apply for rehearing, procedure and time for rehearing; effective date of orders, and regulates appeals from orders; repeals several sections of existing law.

H. Res. 201, adopted July 14, 1953, directs the Legislative Service Commission to study laws and regulations affecting public utilities.

#### Failed:

Public Utility Commission Procedure in Rate Cases - S. B. 24 and H. B. 253, identical bills, failed in their respective Houses, would have amended the public utility law by establishing fair value as the rate base and by prescribing the basis for determining fair value.

H. B. 15 and H. B. 41, died in House, would have prescribed fair value as the base.

S. B. 25, died in Senate, would have prescribed actual legitimate cost, less depreciation as the basis for determining fair value for rate purposes and required utilities to file property inventories with the commission.

Sub. H. B. 41, died in House, would have specifically defined "just and reasonable rates and charges".

H. B. 242, died in House, would have amended the public utility law by authorizing the commission, in its discretion, to make rate charges or changes conditional on the furnishing of adequate service and to cause temporary amendment of rate schedules pending compliance with a commission order.

Sub. H. B. 135, died in House, would have established the office of public service administrator in the commission, to take charge of all investigations for or independently of the commission, including investigation of all charges of excessive rates and complaints of inadequate service.

#### Telephone

##### Failed:

Party-line telephone service - H. B. 154, died in House, would have required yielding of party-line by person using same in case of emergency and imposed a criminal penalty for non-compliance.

1953 West Virginia Legislation -- Final Report  
Session: January 14 to March 14, 1953  
First Special Session: June 4 to June 4, 1953

A. Affirmative

No affirmative program of legislation was undertaken by REA borrowers in West Virginia.

B. Defensive

No legislation which would adversely affect the rural electrification or rural telephone programs was noted.

C. Collateral

Electrification

Failed:

Unsafe Electrical Equipment - Sale - H. B. 218, passed House, died in Senate, would have added Article 13 to Chap. 47, 1931 Code of West Virginia, to prevent the sale of electrical equipment not approved by the Underwriters Laboratories, Inc. or some other standard association.

Electrical Wiring - Installation - H. B. 219, passed House, died in Senate, would have added Article 14 to Chap. 47, 1931 Code of West Virginia, to establish regulations for the installation of electrical wiring in areas not now or subsequently coming under inspection as covered by local ordinances or other provisions of law.

Electrification and Telephone

Enacted:

Public Service Commission - Hearing - H. B. 233, approved March 20, 1953 and effective June 11, 1953, amends Chap. 24, 1931 Code of West Virginia, relating to the Public Service Commission to provide that the Commission may appoint its employees to hold hearings (Art. 1, Sec. 3); to authorize the Commission to suspend a proposed change in rates for a period of no more than 120 days and providing for the posting of bond to secure refunds should such rate changes be put into effect upon expiration of suspension period (Art. 2, Sec. 4), and to increase special license fees (Art. 3, Sec. 6). (S. B. 140, same as H. B. 233, died in Senate Committee on Judiciary.)

Public Service Corporations - Property Assessment - H. C. R. 9, adopted February 13, 1953, establishes an interim committee of the Legislature to make an investigation, survey and study of matters affecting the

valuation and assessments of the properties of public service corporations in West Virginia. (S. C. R. 5, same as H. C. R. 9, died in Senate Committee on Judiciary.)

Corporate Existence - H. B. 76, approved February 25, 1953 and effective May 20, 1953, amends Sec. 5, Art. 1 Chap. 31, 1931 Code of West Virginia, relating to the duration of corporate existence to provide for perpetual existence to corporations chartered prior to January 1, 1940. (S. B. 62, same as H. B. 76, died in Senate Committee on Judiciary.)

Corporations - Consolidation and Merger - H. B. 403, approved March 11, 1953 and effective March 5, 1953, amends Sec. 63-a and adds Sec. 63-a-1, Art. 1, Chap. 31, 1931 Code of West Virginia, relating to the consolidation and merger of corporations.

Nonstock Corporations - H. B. 175, approved March 16, 1953 and effective June 6, 1953, amends Art. 1, Chap. 31, 1931 Code of West Virginia, by adding Sec. 4-a to 4-a(8) relating to the management of nonstock corporations.

Failed:

Public Service Commission - H. B. 503, died in House Committee on Judiciary, would have increased the Public Service Commission from 3 to 5 members.

Non-profit Corporations - License Tax - H. B. 234, died in House Committee on Finance, would have amended Sec. 88, Art. 12, Chap. 11, 1931 Code of West Virginia, to provide for the payment of an annual license tax of five dollars. (S. B. 143, same as H. B. 234, died in Senate Committee on Judiciary.)

Section 5.

Illinois

Iowa

Wisconsin

Section 5.

Illinois  
Iowa  
Wisconsin

1953 Illinois Legislation - Final Report  
Session: January 7 to June 27, 1953

A. Affirmative

No affirmative program is reported to have been sponsored by the Association of Illinois Electric Cooperatives.

Legislative Needs:

The following items were carried over from previous years but were not introduced in the 1953 session:

Electrification

1. Recordation of mortgages - further amendment of the 1874 recordation act to provide that electric and telephone cooperative mortgages may include both real and personal property and constitute a valid lien upon all such property in any county where recorded as a real property mortgage.
2. Eminent domain for electric cooperatives.

Telephone

1. Compulsory interconnection statute.
2. Widen and clarify Commission exemption (see S. B. 327, below)
3. Recordation of mortgages (same as "1" under "Electrification")

Telephone

Enacted:

Cooperative and Mutual Telephone Companies - S. B. 173, approved June 16, 1953 and effective July 1, 1953, amends Section 4 of Corporations Not For Pecuniary Profit Act to permit telephone service on a mutual or cooperative basis, thereby eliminating any question as to the availability of this act for such purpose.

B. Defensive

Electrification

No legislation which would adversely affect the rural electrification program was noted.

Telephone

Failed:

Public Utility - Definition - S. B. 327, died in Senate, would have amended the Public Utility Act by removing certain exceptions in the definition of "public utility", including municipal utilities and mutual telephone companies.

C. CollateralElectrificationFailed:

Electrical Contractors - H. B. 814, died in House, would have enacted an "Illinois Electrical Contractor Licensing Law", providing for the licensing and regulation of electrical contractors by the Department of Registration and Education and the establishment of an Examining Board.

Electrification and TelephoneFailed:

Customers - Transfer - H. B. 413, killed in House, would have established conditions under which any customer of an electric or telephone company could transfer to another such company.

Not for Profit Corporation Act - H. B. 139, died in House, would have amended the General Not for Profit Corporation Act relative to qualification of foreign corporations to do business in Illinois.

Public Utilities Agency - S. B. 51, died in Senate, would have created the Public Utilities Agency and required such Agency to undertake proceedings before the Illinois Commerce Commission to resist any increase in rates or discontinuance or reduction of service by a public utility.

S. B. 52, died in Senate, companion bill to S. B. 51, above, would have given the Public Utilities Agency access to the records and reports of the Illinois Commerce Commission concerning a public utility which was seeking an increase in rates or discontinuance or reduction in service.

S. B. 53, died in Senate, companion bill to S. B. 51 and S. B. 52, above, would have appropriated funds for salary of Director of Public Utilities Agency.

Public Utility Regulation - H. B. 376, died in House, would have required the Illinois Commerce Commission to act within six months on petition to discontinue service. If Commission failed to act within specified time petition would be considered to have been denied.

H. B. 378, died in House, would have established procedure to be followed in cases where Illinois Commerce Commission failed to act on a petition for a rehearing within 120 days.

H. B. 379, died in House, would have repealed provision requiring a public utility to wait two years before filing petition for a rate increase, alteration of regulations, etc. with the Illinois Commerce Commission.

H. B. 541, died in House, would have provided that no public utility could increase any rate or charge except upon a showing before the Illinois Commerce Commission that such increase is justified.

TelephoneFailed:

Telephone Service - H. B. 153, died in House, would have required telephone companies furnishing measured service to install meters registering such service on the premises of their subscribers.

H. B. 154, died in House, would have authorized the Illinois Commerce Commission to require a telephone company furnishing measured service to supply, upon the request of a subscriber, the results of the meter readings.

Telephone Investigation - S. B. 626, died in Senate, would have created a commission of six legislators to investigate the method whereby telephone companies doing business in Illinois arrive at charges or compensation for the transmission of long distance messages originating in Illinois.

## 1953 Iowa Legislation - Final Report

Session: January 12, 1953 to April 29, 1953

A. Affirmative

No affirmative program is reported to have been sponsored by Iowa Rural Electric Cooperative Association.

Legislative Needs:Electrification

In past sessions legislation was sponsored to exempt from the sales tax law materials and equipment used for electric facilities; was not introduced in the 1953 session.

B. DefensiveElectrificationFailed:

Licensing of Electrical Contractors and Electrical Inspection - H. F. 397, died in committee, would have established a State Board of Electricity, empowered to license electrical contractors; made it unlawful to practice as an electrician without a license; provided for inspection of wiring installations.

Electrification and TelephoneFailed:

Commission Regulation of Utilities - S. F. 178, died in the Senate Utilities Committee after re-referral by a vote of 39 to 10 on March 26, 1953, would have abolished the existing Commerce Commission and established a Public Service Commission with full regulatory jurisdiction over all utilities, including electric and telephone cooperatives. This bill was the result of the work of a Public Utilities Study Committee appointed by the Governor in February 1952. It was drafted after a series of public hearings around the State at which the cooperatives indicated their objections to being regulated. Municipal systems also opposed regulation. Establishment of a regulatory commission was opposed by the Independent Telephone Association. Northwestern Bell Telephone Company and the commercial electric utilities indicated neutrality but doubt that it would be beneficial. The Study Committee recommended creation of a Public Service Commission with power to regulate cooperative and municipal as well as commercial utilities despite a split in the committee over this question. However, the bill as submitted by the committee had attached to it supplemental paragraphs exempting cooperative and municipal utilities which were not included in the bill as introduced.

C. Collateral

Electrification

Failed:

Regulation and Licensing of Plumbers - S. F. 140 and H. F. 214, both failed, would have added a new Code chapter providing for the licensing and regulation of plumbers and for the inspection of plumbing installations.

Electrification and Telephone

Failed:

Regulation of Utility Rates - S. F. 84, died in Senate Committee, would have provided for the regulation of utility rates by three district court judges appointed by the Supreme Court to hold rate hearings.

1953 Wisconsin Legislation - Interim Report  
 Session: January 14 to June 12, 1953 (in recess  
 to October 26, 1953)

A. Affirmative

Legislative Needs

Electrification

None

Telephone

None

Legislation Sponsored

Electrification

REA Program - A. J. Res. 59, adopted May 28, 1953 (83-0), memorializes the Congress of the United States and the President to continue the rural electrification program "with undiminishing support and zeal". The resolution reviews the progress made in rural electrification in Wisconsin pointing out that "there has been built in Wisconsin, the Dairyland Power Cooperative, the largest generation and transmission cooperative in the world, which successfully serves over 83,000 rural people on an efficient, low-cost basis, which has been a major factor in encouraging greatest possible rural application of electric power to productive pursuits". The resolution requests that the President and Congress continue to recognize: that the REA program is contributing greatly to the capital and productive wealth of the country; that the program is being conducted on a self-liquidating basis; that the program is improving rural living conditions; that the program is an aid to agriculture; "and that a continuing program be conducted on an undiminishing basis by means of loans for distribution, transmission and generation of electric power wherever such loans are sound and feasible on a basis calculated to enable electric cooperatives to meet the full needs of their memberships."

(This resolution was sponsored by the Wisconsin Electric Cooperative.)

B. Defensive

Electrification

Failed:

Dams - Prohibited on Certain Rivers and Streams - S. B. 113, died in Senate, would have added Section 31.065 to the Wisconsin Statutes, prohibiting any dam construction on certain waters; prohibiting power plants of less than 100 kw firm capacity in waters found by the Conservation Commission useful for trout streams; prohibiting any hydro plants unless the Public Service Commission finds that the average rural or domestic user will realize a minimum annual saving of \$2.00.

(S. B. 113) was approved by the electric utilities and cooperatives)

Electrical Inspection - A. B. 760, died in Assembly, would have added Sections 20.57(9) and 167.17 to the Wisconsin Statutes, relating to the registration of electricians and the supervision and inspection of electrical work. (S. B. 552, same as A. B. 760, died in Senate)

These bills are the same as A. B. 68 and S. B. 73, which failed to pass at the 1951 session of the legislature. They are also similar to bills which have been introduced at every legislative session since 1937. (See report in "1951 State Legislation Affecting the REA Program")

### C. Collateral

#### Electrification

##### Failed:

Construction of Dams - A. B. 692, vetoed by Governor, would have amended 31.06(1) and 59.04(2), repeals and recreates 31.06(3) and adds 31.06(4) to the Wisconsin Statutes, relating to proceedings for the construction of dams in navigable rivers, by restoring to county boards power to determine whether scenic beauty and recreational advantages outweigh the economic need for electric power.

Public Utilities - Space Heating Equipment - S. B. 267, withdrawn from Senate, would have added Section 100.205 to the Wisconsin Statutes prohibiting public utility companies from selling space heating equipment.

Municipal Utilities - A. B. 782, died in Assembly, would have amended Section 66.077 of the Wisconsin Statutes, relating to the combining of utilities by towns, villages and cities of the fourth class and prescribes the functions of the Public Service Commission in connection with such combined utilities.

#### Electrification and Telephone

##### Enacted:

Cooperative Associations - A. B. 608 approved June 17, 1953, amends Sections 185.01, 185.09, and 185.081 of the Wisconsin Statutes to clarify the right of cooperative associations to issue more than one class of common stock, with or without dividends, voting or non-voting, and to define and prescribe voting rights.

##### Failed:

Public Service Commission - S. B. 111, died in Senate, would have amended Section 195.01 of the Wisconsin Statutes, to increase the membership of the public service commission from three to five members and providing that members shall be representatives of the public, farmers and small business, and labor and industry.  
(A. B. 216, same as S. B. 111, died in Assembly).

Public Service Commission - Rates - A. B. 232, died in Assembly, would have added Section 196.37(4) to the Wisconsin Statutes relating to the public utility rate-fixing power of the Public Service Commission by providing that "the commission shall consider the content of all advertising for which the company has made deduction in arriving at net profits over the past three years. If it finds that such advertising was calculated not to sell the company's services or products but primarily to propagate partisan political or economic beliefs, the commission shall disallow such expense in computing such past profits as a basis for rate-fixing."

Public Utility Officials - S. B. 105, died in Senate, would have added Section 196.37(3) to the Wisconsin Statutes relating to the salaries of public utility officials by providing that "in determining the rates for a utility....the commission shall take special cognizance of the salaries paid officials of the utility and shall make a specific finding in connection with the issuance of its order as to whether such salaries are reasonable or excessive."

Public Utilities - Damages - S. B. 400, died in Senate, would have amended Section 196.64 of the Wisconsin Statutes, relating to treble damages recoverable from public utilities, by providing that the violation for which damages are sought shall be shown to have been "wilful and intentional upon the part of the officers or managing agents of such public utility."

Public Utilities - Labor Disputes - S. B. 104, died in Senate, would have repealed subchapter III of Chapter III of the Wisconsin Statutes, providing for compulsory arbitration of labor disputes in public utilities.

#### Telephone

##### Enacted:

Telephone License Fees - S. B. 154, approved June 10, 1953, Chap. 277, amends Sections 76.38(12)(a), 227.01(1), and 227.22 of the Wisconsin Statutes relating to telephone license fees and to review of decisions of the Wisconsin board of tax appeals.

##### Pending

Telephone Rates and Service - A. J. Res. 38, passed over to adjourned session (October 26, 1953) points out that there is need for study of telephone service and rates. The resolution states that there are cases where there are 15 to 20 subscribers on the same line; that there have been instances where applications for telephone service have been made and payments offered for the construction of the required telephone lines and that no action has been taken even through the applications and offers have been pending for as long as five years and that many telephones now in use are obsolete. The resolution requests the Public Service Commission to do all in its power to rectify these conditions.

Section 6.

Minnesota  
North Dakota  
South Dakota

Section 6.

Minnesota  
North Dakota  
South Dakota

1953 Minnesota State Legislation - Final Report  
Session: January 6, 1953 to April 22, 1953

A. Affirmative

No affirmative program is reported to have been sponsored by Minnesota Electric Cooperative.

Legislative Needs:

The following items were carried over from previous years but were not introduced in the 1953 session:

Electrification

1. Clarify tax status of transmission lines.
2. Eliminate statutory reservation permitting cancellation on 90 days notice of easements over State lands.
3. Lower present requirement of a two-thirds vote of all members for inter-cooperative transfer of all of a cooperative's property.
4. Liberalize charges for easements over State lands.

Telephone

1. Lower present requirement of a two-thirds vote of all members for inter-cooperative transfer of all property of a cooperative. (Primarily needed to facilitate acquisition of existing telephone systems.)

Enacted (Electrification and Telephone):

Cooperative Associations - Duration of Corporate Existence - Surplus -  
H. F. 292, approved February 13, 1953 and effective February 14, 1953 as Chapter 16, 1953 Session Laws, amends Sec. 308.06, Minn. Stats. 1949, by eliminating the 50-year limitation and permitting either limited or perpetual existence. All existing associations are automatically given perpetual duration but may amend articles to provide for limited duration. Also amends Sec. 308.06 and 308.12 by eliminating references to surplus and providing for creating of a capital reserve. (S.F. 206 - companion bill, died in Senate.)

B. Defensive

Electrification

Enacted:

None.

Failed:

Testing of Electric Meters - S. F. 721 and H. F. 382, both failed, would have authorized Railroad and Warehouse Commission to adopt rules and regulations thereon and required testing of A. C. meters of 50 amps. or less every 5 years; over 50 amps., every 3 years; self-contained polyphase meters of 50 amps. or less every 2 years; meters used with instrument transformers every 6 months. (Similar bills failed in the 1951 session.)

Telephone

No legislation which would adversely affect the rural telephone program was noted.

C. CollateralElectrificationEnacted:

Great Lakes - Saint Lawrence Seaway Development - S. F. 82, approved February 19, 1953, memorializes Congress immediately to enact legislation to authorize the development. (H. F. 128 and 165 companion bill in the House.)

Township Electrical Systems - H. F. 413, approved March 6, 1953 and effective March 7, 1953 as Chapter 92, 1953 Session Laws, authorizes any town with over 750 and less than 800 inhabitants, and assessed valuation over \$3,500,000, and which has owned and operated a township electric system since January 1, 1920 to construct, acquire and operate such a system; validates prior expenditures, contracts or agreements.

Licensing of Electricians - S. F. 944, approved March 10, 1953, and effective March 11, 1953 as Chapter 298, 1953 Session Laws, amends Laws 1947, Chapter 253, as amended by Laws 1949, Chapter 550 and Laws 1951, Chapter 571, by extending to December 31, 1955 the temporary Class B master electrician and journeyman electrician classifications. (H. F. 802 and 919 - companion bills in the House.)

Failed:

Consumer Power Districts - H. F. 1862, died in House, would have authorized the formation of Consumers Power Districts. (A similar bill failed in the 1951 session.)

Electric Rates - H. F. 1363, died in the House, would have provided assistance to municipalities in establishing fair rates for utility electric and gas services; and required extensive reports to the Railroad and Warehouse Commission.

Electrification and TelephoneEnacted:

Liability of Cooperative Stockholders and Members - H. F. 915, approved March 27, 1953, Chapter 760, 1953 Session Laws, proposes amendment to Sec. 3, Art. X, Minn. Const., to be submitted to electorate at 1954 general election, conferring on the legislature power to provide for, limit, or regulate liability of stockholders or members of corporations and cooperative corporations or associations however organized.

Easements - Tax Lands - H. F. 773, approved April 21, 1953, Chapter 493, 1953 Session Laws, amends Sec. 282.01, Subd. 6, Minn. Stats. 1949, to provide that recorded easements or permits for electric and telephone lines shall survive the sale of tax-forfeited land.

Securities Act - H. F. 400, approved February 25, 1953, Chapter 52, 1953 Session Laws, amends Secs. 80.05, 80.06, 80.07, 80.20 and 80.23, Minn. Stats. 1949; amendment of Sec. 80.20 limits the entire fee charged to any cooperative association to \$5.00; does not affect existing exemption of a rural telephone or rural electrification distribution system as to its operation among its stockholders.

Failed:

Regulation of Utilities - H. F. 792, died in Committee, would have created a Commerce and Utilities Commission, replacing the Railroad and Warehouse Commission. H. F. 1269, died in House, would have created a State Department of Public Utilities to which would be transferred the powers and duties of the Railroad and Warehouse Commission.

TelephoneEnacted:

Rates - S. F. 114, approved February 18, 1953, Chapter 25, 1953 Session Laws, amends Section 237.21, Minn. Stats. 1949, providing that telephone rates of companies operating more than one exchange, shall be determined on the basis of a reasonable return from total operations of the system within the State rather than from single exchanges or services. (H. F. 139 - companion bill in the House.)

1953 North Dakota Legislation - Final Report  
 Session: January 6 to March 6 (7), 1953

A. Affirmative

Legislative Needs:

The following bills were sponsored by the North Dakota Association of Rural Electric Cooperatives:

Electrification

1. Anti-pirating legislation (see H. B. 576 and H. B. 577, below )
2. Continuation and expansion of service in rural areas which become urban due to municipal extension (see H. B. 578, below)

Telephone

The Dickey Rural Telephone Mutual Aid Corporation (N. D. 519) in cooperation with the N. D. Association of Rural Electric Cooperatives sponsored tax exemption legislation for mutual and cooperative telephone companies (see H. B. 847, below).

The following items were carried over from previous years but were not introduced in the 1953 session:

1. Amendment of Mutual Aid Corporation Act as to the following matters:
  - (a) Where expenses are paid by assessments, the bylaws must provide "for toll stations and for serving transient persons as renters" so long as "renters" do not exceed one-fourth of telephones in system.
  - (b) Articles of incorporation must set forth debt limit; constitution requires vote of majority to increase debt limit.
  - (c) Majority of members or stockholders required to amend articles.
  - (d) Vote of two-thirds of members or of each class of stockholders required to sell or lease all or substantially all property.
  - (e) Provisions of General Corporation Act requiring vote of two-thirds of stockholders for issuance of "bonds" may be applicable to issuance of notes.
2. Exemption from PSC jurisdiction. (Several problems were reported to have been discussed with the Commission early in the legislative session, including the handling of "switcher" lines, and administrative solutions arrived at.)

ElectrificationEnacted:

Public Utilities - Restriction on Line Construction - H. B. 576, approved and effective March 12, 1953, amends Sections 49-0301, 49-0305 and 49-2010, North Dakota Revised Code of 1943, restricting construction and extension of lines, plant, or system of public utilities which interfere with existing service including that of an electric cooperative; authorizing electric cooperatives to file complaints of such interference with the North Dakota Public Service Commission; and empowering the Commission to require public utilities to make line extensions only after finding that the area involved is not already being served by another public utility or electric cooperative.

Rural Electric Cooperatives - Service to Non-Members - H. B. 577, approved March 5, 1953 and effective July 1, 1953, amends Section 10-1309, North Dakota Revised Code of 1943, to permit service by electric cooperatives to a limited number of non-members.

Rural Electric Cooperatives - Definition of "Rural Area" - H. B. 578, approved March 5, 1953 and effective July 1, 1953, amends Section 10-1301, North Dakota Revised Code of 1943, relating to the definition of "rural area" to permit electric cooperatives to continue service in rural areas which become non-rural.

The above bills were sponsored en bloc by the North Dakota Association of Rural Electric Cooperatives in order to solve some of the problems which their member cooperatives were encountering. These problems involved (a) the necessity of protecting electric cooperative service from encroachment by public utilities ("pirating" of consumers) and providing the cooperatives with standing before the North Dakota Public Service Commission in order to file complaints against such actions; (b) the need for relaxing the provision that restricted electric cooperatives to providing service to their members only; and (c) amending the definition of "rural area" in order to permit electric cooperatives to continue to furnish service to an area which lost its rural character.

The need for legislation under (a) arose out of the decision of February 16, 1951 (Case No. 4777) of the North Dakota Public Service Commission in which the Commission refused to prohibit the Montana-Dakota Utilities Company from serving a mining operation, which had previously been served by Slope Electric Cooperative. The Commission held that the cooperative was not entitled to its protection when other utilities encroach upon the cooperative's service area.

In regard to item (b) the majority opinion in Case No. 4777 raised the question as to the ability of a cooperative to serve non-members and placed great emphasis on the provision of Sub-section 4 of Section 10-1309 (Section 4 of the 1937 Electric Cooperative Corporation Act) which authorizes service by the electric cooperative "to its members only."

As to item (c) the cooperatives were finding increasing instances of areas, which were rural under the statutory definition at the time they commenced to operate electric facilities or to furnish electric energy therein, losing their rural character by reason of extension of municipal limits of cities which had more than 2,500 population into adjoining rural areas which were being served by the cooperatives or by reason of the increase in population beyond 2,500 inhabitants of cities or villages which had fewer than 2,500 inhabitants at the time service was first rendered.

REA Program - Missouri Basin and St. Lawrence Projects - H.C.R.M. adopted by the legislature March 4, 1953 memorializes the Congress of the United States to enact suitable legislation for "the extension of the distribution systems and power producing facilities of the Rural Electrification Administration." The resolution also called for "the creation of an integrated plan for the development of the natural resources and power . . . . . in the Missouri Basin" and the construction of the St. Lawrence seaway.

(H.C.R. "E-1" urging Congress to authorize construction of the St. Lawrence seaway and power development was withdrawn February 20, 1953.)

#### Telephone

##### Enacted:

Mutual and Cooperative Telephone Companies - Tax Exemption - H. B. 847 approved and effective March 7, 1953, amends Section 57-3411, North Dakota Revised Code of 1943, to exempt mutual or cooperative telephone companies from all sales taxes, use taxes or other excise taxes.

#### B. Defensive

##### Electrification

##### Failed:

Electric Line Extension - S. B. 205, withdrawn from the Senate February 20, 1953, would have restricted the extension of electric distribution lines by a public utility, electric cooperative corporation, or municipal utility, unless authorized by the Public Service Commission.

##### Electrification and Telephone

##### Enacted:

Moving Electric and Communication Lines - H. B. 765 approved February 27, 1953 and effective July 1, 1953, amends Section 49-0222, North Dakota Revised Code of 1943, to provide that any person or firm in charge of electric supply or communication lines who fails to have lines raised or lowered to permit movement of buildings or other bulky objects at the time agreed upon shall be liable for damages caused by delay.

#### C. Collateral

##### Electrification and Telephone

##### Enacted:

Ton Fee Act - H. B. 724 approved March 11, 1953, provides for the levying of fees on motor vehicles engaged in the transportation of property in addition to the regular license fee. Fees are levied on the basis of weights with trucks of 10,000 pounds gross weight or less being exempted. (As originally introduced this bill would have applied to trucks of all sizes. The North Dakota cooperatives supported the amendment, which was adopted, exempting trucks under 10,000 pounds.)

Failed:

Public Service Commission - H. B. 734, killed in House, would have required the Public Service Commission to decide all matters, applications or proceedings within ninety days after final submission to the Commission.

Land Surveyors - S. B. 236, died in Senate, would have provided for the regulation of the practice of land surveying by requiring the registration of qualified persons by the state board of registration for professional engineers, established minimum qualifications and other requirements for registration, etc.

Electric and Telephone Lines - H. B. 565, killed in Senate on February 9, 1953, would have amended Chap. 282, Laws of 1951 relating to changes in topography of lands under or adjacent to electric or telephone lines by requiring a written permit from the state highway commissioner where changes in topography may affect the state highway system.

TelephoneEnacted:

Public Service Commission - Telephone Rates - S. B. 241, approved March 16, 1953 and effective July 1, 1953, amends Section 49-0202, North Dakota Revised Code of 1943, relating to the powers of the Public Service Commission by adding subsection 6 permitting the commission, at its discretion, to require "proof that no unreasonable profit is made in the sale of materials to or services supplied for any utility company by any firm or corporation owned or controlled directly or indirectly by such utility company or any affiliate, . . . . . before permitting the value of said materials or services to be included in valuations or cost of operations for rate making purposes. If unreasonable profits have been made in any such transactions, valuations of said materials and services may be reduced accordingly."

1953 South Dakota Legislation - Final Report  
Session: January 6, 1953 to March 6, 1953

A. Affirmative

Electrification

Taxation - The South Dakota Rural Electric Association considered sponsorship of legislation clarifying the applicability of the gross receipts tax to transmission lines but is reported to have settled the problem at the administrative level.

Consumers Power District Act - Amendment - The Association also considered sponsorship of legislation to eliminate the undesirable features of the 1950 Consumers Power District Act but did not proceed therewith.

Enacted:

Inductive Interference - S. B. 270, sponsored by the South Dakota Rural Telephone Association, and supported by the electrification Statewide association, approved March 14, 1953 and effective July 1, 1953, amends SDC Supp. 28.1001 (5) by relieving electric systems of liability for inductive interference and its elimination in the absence of their negligence, and except where metallic telephone lines and cables are properly constructed. Enactment of this bill follows several years of effort by the South Dakota electric cooperatives to remove such liability, South Dakota having been the last of the 48 states to impose liability upon electric systems without regard to the element of negligence.

Telephone

Enacted:

Use of Highways for Telephone Service - S. B. 270 (see above) also amended SDC Supp. 28.1001, 28.1002 and 28.1003 so that telephone systems as well as electric systems may apply to one place, the board of county commissioners, for highway easements. However, a compromise amendment eliminated the provisions which would permit the grant of county-wide easements which are available on rural electrification applications under Sec. 28.1002. (See also H. B. 671 and 672 under "Defensive - Enacted" below.)

B. Defensive

Electrification and Telephone

Enacted:

Use of Highways - H. B. 671, approved March 11, 1953 and effective July 1, 1953, further amends SDC Supp. 28.1001 by requiring that no easements be granted with respect to State Trunk Highways without the approval of the State Highway Commission, and that poles, fixtures, guy wires, braces and stays be located under the supervision and direction of the governing body. H. B. 672, approved March 11, 1953 and effective July 1, 1953, amends

SDC Supp. 28.1003 by making changes in line routing subject not only to the approval of the county board but also of the State Highway Commission if the change involves a State Trunk Highway.

Overhead Lines Near Airports - H. B. 722, approved March 11, 1953 and effective July 1, 1953, requires State Aeronautics Commission approval for lines within two miles from the nearest boundary of an approved airport.

### C. Collateral

#### Electrification

##### Failed:

Municipal Utility Boards - S. B. 180, passed Senate, failed in House, would have authorized the establishment of municipal utility boards, following election thereon, with power to extend and to modify or rebuild any public utility.

#### Electrification and Telephone

##### Enacted:

Regulation of Application of Economic Poisons by Aircraft - S. B. 187, approved and effective March 13, 1953, repeals SDC Supp. 22.12B01-9 and substitutes therefor new provisions regulating the use of aircraft for applying economic poisons, including applications to weeds and other forms of plant life.

Utility Investigation Fund - S. B. 224, approved March 10, 1953 and effective July 1, 1953, creates a Utility Investigation Fund for the use of the Public Utilities Commission for investigation of the reasonableness of rates and charges of regulated utilities.

Regulation of Engineering - H. B. 691, approved March 12, 1953 and effective July 1, 1953, amends several sections of the law relating to the State Board of Engineering and Architectural Examiners.

#### Telephone

##### Enacted:

Municipal Telephone Systems - Revenue Bonds - H. B. 820, approved March 10, 1953 and effective July 1, 1953, authorizes municipalities to establish and operate telephone systems subject to supervision by the Public Utilities Commission, and to issue revenue bonds therefor.

##### Failed:

Municipal Telephone Systems - Revenue Bonds - H. B. 751, failed in House, would have amended SDC Supp. Ch. 45.24 by extending same to permit issuance of revenue bonds by all municipal telephone utilities now in existence.

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**Section 7.**

**Colorado  
Kansas  
Nebraska  
Wyoming**

Section 7.

Colorado  
Kansas  
Nebraska  
Wyoming

1953 Colorado Legislation - Final Report  
 Session: January 7 to March 28, 1953  
 Special Session: June 22 to June 24, 1953

Constitutional Amendment - 1952 Election

Commission Jurisdiction - At the November 4, 1952 elections the voters defeated S. Con. Res. 10 (enacted at the 1951 session of the Colorado legislature) proposing an amendment to add Article XXV to the Constitution extending the Public Utilities Commission jurisdiction over public utility rates to include public utility operations in all home rule cities and towns. (Note, see S. Con. Res. 3, below)

A. Affirmative

Legislative Needs

Electrification

1. Clarification of authority of State agencies and public bodies to become members of cooperatives. (This matter was disposed of by administrative action.)
2. Anti-pirating legislation.
3. Ad valorem tax relief.
4. Income tax clarification.
5. Elimination of Public Utility Commission jurisdiction over acquisitions and acquired properties.
6. Amendment to modify the ground clearance requirements for multi-phase 24.9/14.4 KV lines.

Telephone

1. Clarification of authority of State agencies and public bodies to become members of cooperatives (See item 1, Electrification, above.)

Legislation Sponsored

No affirmative program of legislation was undertaken by REA borrowers.

B. Defensive

No legislation adversely affecting the rural electrification or rural telephone programs was noted.

C. Collateral

Electrification

Enacted:

Commission Jurisdiction - S. Con. Res. 3, adopted February 13, 1953, proposes a Constitutional amendment to add Article XXV relating to public utilities. The amendment would confer upon such agency as designated by law "all power to regulate the facilities, services and

rates and charges therefor within home rule cities and home rule towns, of every corporation, individual, or association of individuals.....as a public utility, as presently or as may hereafter be defined as a public utility by the laws of the State of Colorado." The amendment states that the authority shall be vested in the Colorado Public Utilities Commission and also provides "that nothing herein shall be construed to apply to municipally owned utilities." It will be voted upon at the next general election.

Eminent Domain - Electric Energy Companies - S. B. 236, approved and effective April 16, 1953, Chap. 99, repeals Chapter 56, Session Laws of Colorado 1901 (Sections 50 and 51, Chapter 61, 1935 Colorado Statutes Annotated) relating to purchase and contracts for rights of way for electrical energy companies.

Upper Colorado River Project - S. J. Memorials 14 and 15, adopted by the legislature, request Congress to enact legislation authorizing the Colorado River storage project in accordance with the recommendations of the Upper Colorado River Commission and to appropriate funds for construction of those units of the project recommended by the Bureau of Reclamation, the Secretary of the Interior and the Colorado Water Conservation Board.

#### Electrification and Telephone

##### Enacted:

Mortgages - H. B. 355, approved and effective, March 31, 1953, Chap. 66, adds Section 123 to Chapter 40, 1935 Colorado Statutes Annotated, to clarify the term "thirty years" in the mortgage extension statute as meaning thirty years after the original maturity date of the mortgage, trust deed or other instrument.

Public Utilities Commission - H. B. 212, approved and effective April 16, 1953, Chap. 184, amends Section 51, Chapter 137, 1935 Colorado Statutes Annotated, relating to rehearings by the Public Utilities Commission of its orders and decisions, by revising the procedure for requesting such review and providing for the suspension of an order or decision pending Commission action on application for rehearing.

Easements - State Lands - S. B. 183, approved and effective March 24, 1953, Chap. 217, authorizes state institutions, departments and other agencies to grant easements or rights of way across state-owned lands for the construction and maintenance of public utilities or services including telephone lines, electric power lines, etc.

Engineers - Regulation - H. B. 184, approved and effective March 31, 1953, Chap. 100, provides for the regulation of the practice of engineering; registration and certification of professional engineers and engineers in training; creation of a State Board of Registration for Professional Engineers and prescribing its powers and duties.

Failed:

Eminent Domain - S. B. 241, died in Senate, would have revised the eminent domain procedure repealing Section 1 to 20 inclusive and Sections 47 and 53 of Chapter 61, 1935 Colorado Statutes Annotated. The proposed changes were largely procedural. (This bill was sponsored by the Colorado Municipal League and was endorsed by the Colorado State Association of REA Cooperatives.)

Non-Profit Corporations - H. B. 413, died in House, would have amended Chapter 124, Laws of 1951, Subsection 175B of Section 4, relating to certificates of amendment to certificates of incorporation of non-profit corporations and the requirements for filing same.

1953 Kansas Legislation - Final Report  
Session: January 13 to April 7, 1953

A. Affirmative

Legislative Needs

Electrification

1. Ad valorem tax relief (Kansas Electric Cooperative has had this matter under study - no action taken.)
2. Amendment of Electric Cooperative Act to eliminate several undesirable features (Amendment of this act has been considered since its enactment in 1941 but no action has been taken.)
3. Amendment of Cooperative Societies Act to:
  - a. Authorize board to mortgage to U. S. instead of 2/3 of all stockholders.
  - b. Authorize amendment of articles by 2/3 of stockholders voting instead of majority of all stockholders.  
(Several REA borrowers still operate under this act, not having converted under the ECA because of its undesirable features.)
4. Amendment of statute relating to recordation of mortgages (Required to place recordation of mortgages given by un-converted elective cooperatives on same basis as cooperative operating under Electric Cooperative Act. Would eliminate all question of effectiveness of after-acquired property clause and eliminate necessity of periodic refiling.)

Telephone

1. Amendment of Cooperative Societies Act to:
  - a. Authorize board to mortgage to U. S. instead of 2/3 of stockholders.
  - b. Authorize amendment of articles by 2/3 of stockholders voting instead of majority of all stockholders.
  - c. Eliminate requirement that 20% of capital stock be paid in to begin business.
2. Amendment of Corporation Not for Profit Act to authorize board to mortgage to U. S.
3. Enactment of model Rural Telephone Cooperative Act.
4. Amendment of statute relating to recordation of mortgages (see item 4, Electrification, above.)  
(Items 1, 2 and 3 are alternatives.)

## Legislation Sponsored

No affirmative program of legislation was sponsored by electrification or telephone borrowers in Kansas.

### B. Defensive

No legislation which would adversely affect the rural electrification or rural telephone programs was noted.

### C. Collateral

#### Electrification

##### Enacted:

Tuttle Creek Dam - H. Res. 28, adopted March 17, 1953, and S. Res. 19, adopted March 9, 1953, memorializes Congress to halt construction of the Tuttle Creek Dam on the Big Blue River, Kansas.

##### Failed:

Utility - Deposits - H. B. 394, passed House, died in Senate, would have amended Sec. 12-822, General Statutes of 1949, relating to deposits for payment of charges with municipally owned utilities, regulating the collection of such deposits and fixing the rate of interest which shall be paid on them.

#### Electrification and Telephone

##### Enacted:

Corporations - H. B. 476, approved April 2, 1953, amends various sections of Title 17, General Statutes of 1949, relating to foreign corporations and their authority to conduct business in the state of Kansas.

Engineers - Licensing - S. B. 102, approved March 25, 1953, amends section 26a-112, General Statutes of 1949, relating to the qualifications of an applicant for a license as a professional engineer by requiring in addition to graduation in an approved engineering curriculum of four years or more from an approved college the applicant shall have a record of an additional four years or more of experience in engineering work of a character which is satisfactory to the board.

#### Telephone

##### Enacted:

Corporations - Merger or Consolidation - S. B. 232, approved April 2, 1953, amends Section 17-3707, General Statutes of 1949, relating to consolidation or merger of corporations and providing for the rights of dissenting stockholders.

1953 Nebraska Legislation - Final Report  
Session: January 6 to June 13, 1953

A. Affirmative

Legislative Needs

Electrification

1. Amendment of power district law to permit districts to become members of out-of-state federated cooperatives. (C. A. Sorensen, Counsel, Nebraska Rural Electric Association advised that the Association would not sponsor legislation on this subject since the purpose sought to be accomplished could be done by contract.)
2. Amendment of Section 70-504, Revised Statutes of Nebraska, 1943, relating to transfer of property between power districts, to eliminate the requirement of an election where the transfer of lines would result in better service to the consumers of the districts involved. (Association ~~decided~~ not to sponsor this proposal because of opposition from the smaller rural districts due to their fear that they might be absorbed by the large power districts.)
3. Amendment of General Chattel Mortgage Act to eliminate the necessity of taking a new chattel mortgage every five years and to settle any question as to the effectiveness of the after-acquired property provisions. (Draft of legislation prepared and submitted at the request of the Nebraska Rural Electric Association; not introduced)

Telephone

1. Amendment of General Chattel Mortgage Act. (see item 3, Electrification - not introduced)

Legislation Sponsored

No affirmative program of legislation was sponsored by REA borrowers in Nebraska.

B. Defensive

Electrification

Failed:

Commission Jurisdiction - Power Districts - L. B. 303, died in Public Works Committee, would have amended Sections 70-655 and 75-301, Revised Statutes of Nebraska, 1943, to provide that the Nebraska State Railway Commission shall have jurisdiction over public power and irrigation districts for the purpose of regulating rates, tolls, rents, charges, and services and facilities sold, and the issuance and sale of bonds, notes or other evidence of indebtedness. (This bill was opposed by the Nebraska Rural Electric Association.)

C. CollateralElectrificationFailed:

Irrigation and Power Laws - Study - L. Res. 20, died in Committee, would have provided for the appointment of a committee by the Legislative Council, to make a study of the irrigation laws and report to the next session of the Legislature. Among the items to be included in the report are: (a) whether chapter 70, Reissue Revised Statutes of Nebraska, 1943, be revised and amended to separate public power from irrigation; (b) whether public power be placed under the jurisdiction of the Nebraska State Railway Commission; and (c) whether all public power and irrigation districts be dissolved and the Department of Roads and Irrigation or some other department, board or agency have the entire supervision over public power in the state.

Power Districts - L. B. 414, died in Public Works Committee, would have amended Section 70-624, Revised Statutes of Nebraska, 1943, to provide that public power districts shall annually publish a statement showing amounts paid as compensation to each employee, officer, or legal counsel.

L. B. 415, died in Revenue Committee, would have amended Section 70-652, Revised Statutes of Nebraska, 1943, to provide that payments in lieu of taxes made by power districts should be determined annually by the county board, sitting as a board of equalization in place of present provision that such payments shall be equal to the amount of taxes paid on property prior to its acquisition by the power district.

L. B. 416, died in Public Works Committee, would have amended Section 70-623.01, Revised Statutes of Nebraska, 1943, to require that the audit of the books of public power districts show the operations within each city served by such district, as well as operations within the district as a whole.

L. B. 421, died in Public Works Committee, would have amended Section 70-650.1, Revised Statutes of Nebraska, 1943, to provide for the annual publication of the unpaid balance of bonds of public power districts.

L. B. 529, died in Public Works Committee, would have required that members of the board of directors, officers and attorneys of public power districts must reside within the water shed in which the public power district is located. (This bill was opposed by the Nebraska Rural Electric Association.)

L. B. 533, died in Public Works Committee, would have amended Section 70-650, Revised Statutes of Nebraska, 1943, to require the sale by any public power district to cities and villages of the electric distribution system situated within or partly within such city or village. The bill would have authorized such cities or villages to make such purchase and provided for the procedure to determine the purchase price. (This bill was opposed by the Nebraska Rural Electric Association.)

Utilities - Labor Disputes - L. B. 195, died in Labor and Public Welfare Committee, would have amended Sections 48-801, 48-802, 48-810, 48-816 and 48-821, Revised Statutes of Nebraska, 1943, relating to labor disputes in utilities, to provide that proprietary government services (operations of power districts) be subject to the jurisdiction of the Industrial Court. (This bill was opposed by the Nebraska Rural Electric Association.)

Tort Liability - Political Subdivisions - L. B. 49, died in committee, would have provided that the State of Nebraska and its political subdivisions be liable for accidents arising in the performance of their business from the operation by officers, agents, and employees of motor vehicles, motor equipment and highway machinery and equipment. The bill would have authorized the procurement of liability insurance.

#### Electrification and Telephone

##### Failed:

Public Utilities Commission - L. B. 361, died in Banking, Commerce and Insurance Committee, would have provided for submission to the electors of an amendment to the Constitution changing the name of the State Railway Commission to the Public Utilities Commission.

1953 Wyoming Legislation - Final Report  
Session: January 13 to February 21 (22), 1953

A. Affirmative

Legislative Needs:

Electrification

1. Amendment to permit construction or conversion at 24.9/14.4 KV without complying with the existing clearance requirements of the National Electrical Safety Code.
2. Amendment of Section 44-109 General Corporation Act to:
  - a. Eliminate cumulative voting for directors.
  - b. Provide for staggered terms for directors.
  - c. Provide for the districting of cooperatives for the election of directors and other purposes.
3. Amendment of Section 44-114, relating to quorum provisions for meetings of non-profit corporations.
4. Amendment of Sections 44-132 and 44-134 to lower the quorum and voting requirements in connection with amendment of articles of incorporation of non-profit corporations.
5. Amendment of Section 59-126, relating to chattel mortgages and the statement of maturity date of such mortgages to eliminate need for supplemental mortgages.

Drafts of bills covering the above items were furnished to officials of the Wyoming Rural Electric Association. Items 1 and 2 were specifically requested by them. Items 3, 4 and 5 were sent alone for consideration as suggested solutions to meet problems which had been raised on a number of occasions by counsel for Wyoming electric cooperatives.

Legislation Sponsored

No affirmative program of legislation was undertaken by REA borrowers in Wyoming.

B. Defensive

No legislation which would adversely affect the rural electrification or rural telephone programs was noted.

C. CollateralElectrificationEnacted:

Upper Colorado River Compact Commission - S. J. M. 2, approved February 6, 1953, memorializes Congress to enact legislation authorizing the Colorado River storage project as contained in the report of the Bureau of Reclamation and submitted to Congress by the Secretary of the Interior.

Compact Commissions - S. J. M. 4, approved February 11, 1953, urges Congress to encourage the use of the compact commission approach as a means of accomplishing the development of land and water resources of regional watersheds.

Valley Authorities - Opposition - S. J. M. 5, approved February 11, 1953, recommends that Congress oppose any proposed legislation or Executive order "setting up any form of Federal, regional, or watershed authority."

Failed:

Cheyenne River Compact - H. B. 140, passed House, died in Senate, would have enacted the Cheyenne River Compact between South Dakota and Wyoming providing for the allocation of the waters of the Cheyenne river.

Section 8.

Arkansas  
Louisiana  
Missouri  
Oklahoma

Section 8.

Arkansas  
Louisiana  
Missouri  
Oklahoma

1953 Arkansas Legislation - Final Report  
Session: January 12 to March 12, 1953

Initiative Petition - 1952 Election

Annexation of Rural Territory by Municipality - By initiative petition, a proposal to create a county public utility district was placed on the ballot to be voted on by the voters of Jackson County at the November 4, 1952, general election. This proposal, sponsored by the Farmers Electric Cooperative Corporation (Ark. 11), followed the adverse decision in the corporative litigation with Arkansas Power and Light Co. over territory annexed by the city of Newport which had been served by the cooperative. A ruling of the State Public Service Commission that the cooperative could continue to serve the area was reversed in the courts. The proposal was defeated by a vote of 4770 to 1139.

A. Affirmative

Legislative Needs

Electrification

1. Amendment of Electric Cooperative Act to:

- (a) Facilitate incorporation and operation of federated cooperatives;
- (b) Limit number of proxies which may be voted by any one person to three;
- (c) Clarify membership vote necessary for amendment of articles (see H. B. 496, below); and
- (d) Provide for amendment of bylaws by members rather than director.

2. Amendment of Electric Cooperative Act to:

- (a) Establish the right to continue to serve in rural areas which become non-rural. (see H. B. 465, below); and
- (b) Exempt generating-transmission facilities from the jurisdiction of the Public Service Commission.

Telephone

1. Repeal of Sec. 35, 1951 Rural Telephone Cooperative Act which extends the act to all cooperative, mutual or non-profit telephone corporations now or hereafter organized under any law of the State.

The repeal of this section would permit the incorporation and operation of telephone organizations under other statutes which appear to be more workable than the Rural Telephone Cooperative Act.

Legislation SponsoredElectrificationEnacted:

Electric Cooperative Act - H. B. 496, approved March 3, 1953 and effective June 10, 1953, Act 198, amends Section 77-1126, Arkansas Statutes, relating to amendment of articles of incorporation by clarifying the requirement for the membership vote necessary to amend articles to be "a majority vote of the members who are present in person or by proxy". As formerly worded, the provision was construed to require the vote of a majority of all members.

S. B. 367 (same as H. B. 496) withdrawn from Senate.

Failed:

Electric Cooperative Act - H. B. 465, defeated in House, March 9, 1953 by a vote of 43 to 44, after being adversely amended. As originally introduced, it would have amended Section 77-1102(8), Arkansas Statutes, defining the term "rural area" by adding the following: "The determination of a rural area shall be made as of the time the Arkansas Public Service Commission grants a certificate of convenience and necessity to an Electric Cooperative Corporation organized under said Act 342 of 1937 and said Electric Cooperative shall not be ousted from said rural area or deprived of the right to continue to provide electric service in said rural area subsequent to the granting of a certificate of convenience and necessity by the Arkansas Public Service Commission if said 'rural area' is brought within the boundaries of an incorporated or unincorporated city, town or village having a population less than or in excess of twenty-five hundred (2500) inhabitants or in the event said incorporated or unincorporated city, town or village served by said Electric Cooperative shall have a population in excess of twenty-five hundred (2500) inhabitants". On March 4, 1953 the bill was amended to provide that it should not prevent municipally owned electric utilities from providing electric service within the corporate limits of said municipality nor restrict municipalities from exercising regulatory jurisdiction over Electric Cooperative Corporations. On March 6, 1953 Rep. Coates offered and then withdrew an amendment to this bill which would have provided that Electric Cooperative Corporations created under Act 342 of 1937 be regulated by the Public Service Commission the same as if they were private utilities.

S. B. 262 (same as H. B. 465) died in Senate.

B. Defensive

No legislation which would adversely affect the rural electrification or rural telephone programs was noted.

C. CollateralElectrificationEnacted:

Municipal Utility Commissions - S. B. 339, approved March 31, 1953, Act 562, permits cities of first class whose municipally owned light, water and/or sewer plants are not now being operated by a commission to create such bodies by ordinance.

Electrification and TelephoneFailed:

Eminent Domain - S. B. 203, failed to pass Senate February 24, 1953, would have given the State Highway Commission the right of eminent domain in certain instances. Prior to its defeat in the Senate this bill was amended to provide that rural electric and telephone cooperatives may use rights-of-way.

Utilities - Service - H. B. 246, passed House, died in Senate, would have prohibited any utility from abandoning, decreasing or impairing service now rendered, without obtaining the consent of the Public Service Commission.

Utilities - Rates - H. B. 10, died in House, would have amended Sec. 18, Act 324, Laws of 1935, to eliminate requirement of filing a bond by utility companies in order to permit a rate increase before a public hearing by the Public Service Commission.

H. B. 11, defeated in House February 18, 1953 by a vote of 41 to 43 would have amended Sec. 18, Act. 324, Laws of 1935, to prohibit utilities from increasing rates for seven months; and to provide that if the Public Service Commission does not hold a public hearing by the end of the period, utility may file a bond and get rate increase.

H. B. 107, died in House, would have prohibited public utility companies from putting into effect new and increased rates before the Public Service Commission has made a decision on the proposed new rates.

H. B. 104, defeated in House February 4, 1953 by a vote of 34 to 43, would have amended Sec. 73-217, Arkansas Statutes, relating to the method of changing utility rates.

H. B. 141, died in House, would have provided for the payment of the expenses of the preparation and hearing on the part of protestants in public utility rate hearings before the Public Service Commission.

Utilities - Taxes - H. B. 218, withdrawn from the House, would have levied a 1% privilege tax on gross receipts or gross proceeds of public utilities in state and provided for the allocation of receipts to educational institutions.

TelephoneFailed:

Telephone Companies - Directories - H. B. 172, died in House, would have required certain telephone companies to publish and print a telephone directory twice yearly.

1953 Missouri Legislation - Final Report  
Session: January 7 to May 31, 1953

A. Affirmative

Legislative Needs

Electrification

1. Amendment of Rural Electric Cooperative Act to:

- (a) Clarify organization and composition of boards of directors of federated cooperatives. (H. B. 284 on this subject was introduced in the 1951 session, was adversely amended and died in Senate)
- (b) Permit cooperatives to continue service in areas which become non-rural by deleting proviso in 1949 amendment permitting municipality or franchise holder to acquire cooperative property within the extended municipal limits.

2. Anti-pirating legislation. (H. B. 308 on this subject was introduced in 1951 session, passed the House after being adversely amended and died in Senate.)

Telephone

- 1. Amendment of Cooperative Companies Act to authorize cooperative telephone enterprises, give them the right to compel inter-connection.
- 2. Rural Telephone Cooperative Act. (H. B. 286 on this subject was introduced in the 1951 session, adversely amended, died in Senate.)  
Items 1 and 2 are alternatives.

Legislation Sponsored

No affirmative program of legislation was sponsored by the Missouri State Rural Electrification Association.

Electrification

Failed:

Rural Electric Cooperative Act - Domestication of Foreign Rural Electric Cooperatives - S. B. 309, died in Senate, would have amended Section 394.200, Revised Statutes of Missouri, 1949, to provide for the domestication of foreign rural electric cooperative corporations.

B. Defensive

Electrification

Failed:

Rural Electric Cooperative Act - Repeal - H. B. 39, died in House Committee, would have repealed Chapter 394, Revised Statutes of Missouri, 1949, "The Rural Electric Co-operative Law."

C. CollateralElectrificationEnacted:

Electric Power - Dams - S. B. 113, approved June 11, 1953 and effective August 30, 1953, adds Section 236.255 to the Revised Statutes of Missouri, 1949, making it lawful for any person who owns land on one side of the water course where a dam has been erected or who owns land within one mile above the dam, to maintain or repair the same when the person or his legal representative who has erected the dam fails or refuses to maintain or repair it, or fails to operate the electric power and light works or other machinery connected therewith for a period of two years or more.

Failed:

Public Utility Districts - S. B. 426, died in Senate, would have authorized two or more municipalities or other political subdivision to establish public utility authorities or districts.

Electrification and TelephoneEnacted:

Not For Profit Corporation Act - H. B. 82, approved June 5, 1953 and effective August 30, 1953, enacts a complete "General Not For Profit Corporation Act"

Failed:

Public Utilities - Labor Disputes - H. B. 98, passed House, died in Senate, would have amended Chapter 295, Revised Statutes of Missouri, 1949, relating to the regulation of labor disputes involving public utility operations by adding two new sections 295.183 and 295.187 providing that any state agency operating a public utility which has been seized shall be liable for the acts of its agents in connection with such operation and shall be liable for payment of workmen's compensation taxes, etc. and authorizing the governor to contract with the public utility or its insurance company for insurance of the state agency operating such utility.

H. B. 305, died in House, would have amended Sections 295.020 and 295.200, Revised Statutes of Missouri, 1949, defining the term "public utility" to except railroads and striking out the provision making it unlawful for a public utility to employ a person who refuses to work after such utility has been taken over by the state.

TelephoneFailed:

Telephone Rates - H. B. 266, died in House, would have amended Section 392.240, Revised Statutes of Missouri, 1949, to prohibit the establishment of zone rates or charges for telephone or telegraph service within a municipality.

1953 Oklahoma Legislation - Final Report  
Session: January 6 to June 6, 1953

A. Affirmative

Legislative Needs

Electrification

1. Waiver of charges and fees for easements over public lands and thoroughfares. (S. B. 139 on this subject was introduced in the 1951 session, but failed to pass. The Oklahoma Statewide Electric Cooperative considered sponsoring this legislation at the 1953 session because of difficulties which the coops have had over school board easements.)
2. "Anti-pirating" bill. (At the request of the Oklahoma Statewide a draft of a bill was prepared by REA to prohibit pirating by suppliers of electric energy, including electric cooperatives as well as commercial utilities and municipalities.)

Telephone

1. Rural Telephone Cooperative Act (See S. B. 1, below)

Legislation Sponsored

Electrification

Failed:

Electric Lines - Safe Practices - S. B. 290, passed Senate, died in House, would have provided for the safety of persons engaged in activity in close proximity to electric conductors.

Telephone

Enacted:

Rural Telephone Cooperative Act - S. B. 1, law without approval and effective April 23, 1953. The bill, as passed over vigorous opposition, furnishes a suitable basis for organization and operation of rural telephone cooperatives.

B. Defensive

Electrification

Failed:

Electrical Inspection Department - H. B. 844, died in House, would have created an Electrical Inspection Department in the office of the State Fire Marshall; provided for standards for electrical equipment and methods of installing and for inspection of electrical wiring installations; established fees for inspections; provided for licensing of electrical contractors and journeymen electricians, etc. (A similar law, enacted in 1945, was repealed in 1947 when found not workable.)

C. Collateral

Electrification

Enacted:

Public Utility Board - Cities - S. B. 289, approved and effective June 2, 1953, provides for the creation of public utilities boards for cities and towns and prescribes the method of appointing the members of such boards.

Failed:

Labor Disputes - Utilities - H. B. 839, died in House, would have provided for the creation of a board of arbitration to settle labor disputes including disputes involving public utilities.

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1953 Louisiana Legislation

No session in 1953

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Section 7.

Alaska

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Montana

Nevada

Oregon

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Washington

1953 Alaska Legislation - Final Report  
Session: January 26 to March 26, 1953

A. Affirmative

Legislative Needs

Electrification and Telephone

1. Amendment of laws relative to chattel mortgages to:

- (a) Eliminate requirement of affidavit of good faith.
  - (b) Recognize validity of after-acquired property clause.
- (No action taken. H. B. 70 covering this subject was introduced in the 1951 session of the legislature but failed to pass because of objections that its language was too broad. At the request of the Alaska Rural Electric Co-op Association, REA supplied a draft of a bill with language limiting its applicability to mortgages incurred under the REA Act.)

Legislation Sponsored

No affirmative program of legislation was reported to have been sponsored by the Alaska Rural Electric Co-op Association.

B. Defensive

No reports were received of legislation adversely affecting the rural electrification or rural telephone programs.

C. Collateral

Electrification

Enacted:

Devil Canyon Dam - H. J. M. 2, approved February 10, 1953, requests the Congress of the United States to enact legislation authorizing construction of the Devils Canyon Dam on the Susitna River, together with appurtenant power production and transmission facilities.

Electrification and Telephone

Enacted:

Non-profit Corporations - S. B. 2, approved March 9, 1953 and effective June 7, 1953, Chap. 16, amends Subsection 8 of Section 36-4-2, ACLA 1949, relating to articles of incorporation of non-profit corporations by providing that the articles may be amended at regular or special meeting provided that each member or shareholder is given at least thirty days notice of such proposed amendments.

Public Utility Districts - H. B. 160, approved March 28, 1953 and effective June 26, 1953, Chap. 97, amends Section 49-2-13, ACLA 1949, relating to the dissolution of Public Utility Districts by providing that petitions of dissolution may be filed when "(a) the population of a district falls below two hundred, (b) the whole or part of a district becomes annexed to an incorporated town or city, or (c) other good and sufficient reasons for dissolution appear and are stated in the petition."

S. B. 36, approved March 30, 1953 and effective June 28, 1953, Chap. 105, amends Section 49-2-21, ACLA 1949, relating to the powers of Public Utility Districts by authorizing districts "to contract for the construction, maintenance and operation, alteration and improvement of dams, reservoirs,..." etc. and to "convey rights to use services and products derived from facilities" of PUD's.

1953 California Legislation - Final Report  
Session: January 5 to June 10, 1953

A. Affirmative

Legislative Needs

Electrification

1. Exemption from jurisdiction of the Public Utilities Commission (see S. B. 1938, below).
2. Anti-pirating legislation (see S. B. 1938, below).

Legislation Introduced

Electrification

Failed:

Public Utilities Commission - Exemption of Cooperatives from Jurisdiction - S. B. 1938, died in Senate, would have added Sections 2-7/8, 13-1/8 and 50-1/8 to the Public Utilities Act to: (a) specifically exempt non-profit cooperative electric corporations from the jurisdiction and control of the Public Utilities Commission; (b) prohibit any utility enterprise either commercial, municipal or cooperative from pirating consumers of other utilities; and (c) furnish territorial protection to non-profit cooperatives developing electric facilities to serve persons not receiving service. (This bill is the same as S. B. 327 which failed to pass at the 1951 session. S. B. 327 had been sponsored by the California Rural Electric Cooperative Association and a major effort was made in 1951 to obtain enactment of this bill. The Association decided not to press for this legislation at the 1953 session and although the bill was introduced, no efforts were made to push it.)

Telephone

Failed:

Rural Telephone Act - A. B. 201, died in Assembly, would have enacted "the Rural Telephone Act of the State of California" as Chapter 1.5 to Part 2 of Division 1 of the Public Utilities Code, relating to telephone service in rural and semi-rural areas. The bill stated that its purpose was "to promote the installation of adequate privately owned public utility telephone instrumentalities in rural and semi-rural areas; to safeguard the investment made therein by independent public utility telephone companies and to foster and

encourage small businesses and private enterprise." It would have affected only locally-owned independent systems; created an Independent Telephone Division in the Public Utilities Commission to survey service coverage and assist independents; opened unsaturated rural or semi-rural areas as "unassigned territory"; and authorized joint use of existing facilities which preempt the only existing right of way along public highways. (The bill is reported to have been drafted by the engineer-owner of small telephone systems in California.)

## B. Defensive

### Electrification and Telephone

#### Failed:

Public Utilities - Certificate of Convenience and Necessity - A. B. 2430, died in Assembly, would have amended Section 1001, Public Utilities Code, relating to the right to extend certain utility services without a certificate of public convenience and necessity, by prohibiting corporations authorized to serve unincorporated territory from serving or extending "its line, plant or system so as to serve any area within two miles of the boundaries of any incorporated city operating a municipally-owned utility rendering the same service without a certificate of public convenience and necessity."

## C. Collateral

### Electrification

#### Enacted:

Public Utility Districts - A. B. 2199, approved June 20, 1953 and effective September 9, 1953, Chapter 1271, amends Section 51a of the Public Utility District Act of 1921 relating to the method of annexing unincorporated territory contiguous to the district and adding a definition of the term "person" (Section 15507) to the Public Utilities Code.

S. B. 430, approved July 10, 1953, Chapter 1852, amends Section 38 of the Public Utility District Act, authorizing the board of directors to fix charges so as to raise sufficient revenue to defray all costs of non-revenue producing utilities authorized under the act.

Municipal Utility Districts - A. B. 37, approved June 19, 1953 and effective September 9, 1953, amends Section 12808, Public Utilities Code relating to municipal utility districts' use of streets and highways.

Central Valley Project - A. C. R. 49 filed with Secretary of State May 1, 1953, Res. Chapter 118, directs the Water Project Authority to make a management survey in connection with the proposed acquisition by the State of California of the Central Valley Project.

S. C. R. 34, filed with Secretary of State March 18, 1953, Res. Chapter 65, requests all public and private agencies not to enter into any wheeling or other agreements which would facilitate the delivery of power developed by the Central Valley Project works for use outside of California. (See A. B. 838 and S. B. 1648, below.)

S. C. R. 24, filed with Secretary of State, March 26, 1953, Res. Chapter 71, relates to the acquisition of the Central Valley Project by the State of California.

Failed:

Electric Power - Central Valley Project - A. B. 838, passed Assembly, died in Senate, would have added Section 463 to the Public Utilities Code to prohibit approval by the Public Utilities Commission of contracts for transmission of hydro-electric energy developed by the Central Valley Project outside the boundaries of California unless (a) the energy can not be reasonably utilized to meet existing needs within California, and (b) provision is made for termination of the agreement whenever the energy can be reasonably utilized to meet existing needs within California. (S. B. 1648, same as A. B. 838, passed Senate, died in Assembly.)

Public Utility Districts - A. B. 704, pocket vetoed July 15, 1953, would have amended Section 2 of Chapter 560, Laws of 1921, relating to action by the board of supervisors of a county upon petitions for formation of public utility districts by striking out the provision authorizing the board of supervisors to pass an ordinance declaring that the public interest requires the formation of such public utility district.

A. B. 2567, died in Assembly, would have added Chapter 8 to Division 2 of the Public Utilities Code relating to districts furnishing public utility services in urban areas by providing that rates and charges for such services shall be subject to the rules and regulations of the Public Utilities Commission.

A. B. 2711, died in Assembly, would have added Section 30.3 to the Public Utility District Act to provide that districts shall have the power, by ordinance, to make and enforce regulations for the government of the district.

Trinity River Project - S. J. R. 1, passed Senate, died in Assembly, would have memorialized the Congress to undertake the construction of the Trinity River Project "so that the water resources of the State may be more fully utilized and that the electrical energy to be created by this project may be made available to the many potential users of electrical power of the State of California."

Central Valley Project - S. J. R. 3 and S. J. R. 4, both failed to pass, would have requested the Secretary of the Interior to assert his intent to sell or transfer the Central Valley Project to the State of California.

A. C. R. 38, died in Assembly, related to the transfer of the Central Valley Project.

State Water Plan - S. B. 41, died in Senate, would have added Chapter 3 to Division 1 of the Water Code to provide financial assistance to agencies in development of the beneficial use of water resources of the State, flood control, production of hydro-electric energy, etc.

S. B. 42, died in Senate, would have added Part 1.5 to Division 6 of the Water Code relating to implementation of the State Water Plan by development of water from surplus areas for transfer to water deficient areas and providing for the sale of hydro-electric power generated pursuant to this program.

S. B. 43, died in Senate, would have added Part 1.6 to Division 6 of the Water Code relating to implementation of the State Water Plan by permitting local areas to cooperate in joint construction of projects.

Eminent Domain - A. B. 109, died in Assembly, would have amended Section 1241 of the Code of Civil Procedure, relating to the taking of property by eminent domain by political subdivisions including public utility districts by providing that the resolution relating to the taking of property be adopted by vote of four-fifths of the members of the board instead of by vote of two-thirds of the members.

### Electrification and Telephone

#### Failed:

Public Utilities - Consumer Interest - A. B. 2410 and A. B. 2587, both died in Assembly, would have added Sections 12523 and 12524 to the Government Code relating to the duties of the Attorney General by providing that he shall appear before the Public Utilities Commission "whenever he deems such appearance necessary to serve the best interests of the State and its people in matters coming before the commission."

Public Utilities - Violations - S. B. 427, died in Senate, would have amended Sections 2102 and 2103 of the Public Utilities Code, relating to the enforcement of the provisions of the constitution and statutes of this State affecting public utilities, by providing that action may be taken against a utility for failure to furnish adequate service and permitting the appointment of a receiver to take over the operation of such public utility.

Telephone

Failed:

Telephone Utilities - Assessment - A. B. 200, died in Assembly, would have added Chapter 1.5 to Part 2 of Division 1 of the Public Utilities Code, to provide that the State Board of Equalization and the Public Utilities Commission shall collaborate to establish a fair and equitable valuation for both tax and rate making purposes of the property of every telephone company within the state. (A. C. R. 14, similar to A. B. 200, died in Assembly.)

1953 Idaho Legislation - Final Report  
Session: January 5 to March 6, 1953

A. Affirmative

Legislative Needs

Electrification:

Anti-pirating legislation - this item was carried over from the previous session but was not introduced at the 1953 session. In connection with this problem the State Association had considered the possibility of having the cooperatives become subject to the jurisdiction of the Public Utilities Commission in order to obtain protection from pirating by public utilities. Attorney Ray W. Rigby, Rexburg, Idaho made a study of commission jurisdiction for the State Association and recommended against this course. This recommendation was adopted by the State Association.

Legislation Sponsored

No affirmative program is reported to have been sponsored by the Idaho Rural Electric Cooperative.

B. Defensive

Electrification and Telephone

No legislation which would adversely affect the rural electrification or rural telephone programs was noted.

C. Collateral

Electrification

Failed:

Licensing - Electrical Contractors and Journeymen - S. B. 52, died in House, would have repealed Chapter 10, Title 54, Idaho Code, providing for the licensing of electrical contractors and journeymen electricians.

Assessments - Electric Transmission Lines - H. B. 115, died in House, would have amended Section 63-107, Idaho Code, changing the method of assessing electric lines.

Plumbing Code - H. B. 152, killed in House, would have provided for the adoption of a State Plumbing Code and the examination and licensing of master and journeymen plumbers by the Commissioner of Law Enforcement.

Electrification and Telephone

Enacted:

Public Utilities Commission - Reports - H. B. 118, approved and effective February 25, 1953; Chapter 71, amends Section 61-405, Idaho Code, by changing the date upon which the Idaho Public Utilities Commission furnishes blanks for annual reports and also changing the date for filing of such reports by public utilities.

Failed:

Non-Profit Cooperative Associations - H. B. 189, died in House, would have provided for the consolidation or merger of non-profit cooperative associations by the vote of two-thirds of members present.

1953 Montana Legislation - Final Report  
Session: January 5 to March 5(9), 1953

Governor's Message

The following excerpt is from the January 6, 1953 message of Governor J. Hugo Aronson to the Montana Legislature:

"Progress in providing electricity and telephones to all rural residents, as well as folks in cities and towns, has been made. But, our goal is to aid in REA and other programs so that the job will be completed. That task is to make available to every possible farm family electricity, telephones and other modern facilities."

A. Affirmative

Legislative Needs

Telephone

At the request of the Fairfield Telephone Cooperative (Montana 513) Rep. Leo Graybill introduced legislation to amend the Rural Electric Cooperative Act to make it available for the formation of rural telephone cooperatives (see H. B. 223, below) and to provide easements on state lands for construction of telephone lines (see H. B. 224, below).

Legislation Sponsored

Electrification and Telephone

Enacted:

House Joint Memorial 3, approved February 7, 1953, requests "the Congress of the United States to increase the expenditure of funds to develop, construct, and maintain rural electric and telephone services."

Telephone

Enacted:

Telephone Lines - Easements - H. B. 224, approved March 6, 1953 and effective July 1, 1953, amends Section 81-803, Revised Codes of Montana, 1947, relating to granting of easements for public purposes on state lands by providing for filing of applications for the construction and operation of telephone lines in the same manner as for electric lines without furnishing plats and measurements for each quarter-section.

Failed:

Rural Telephone Cooperatives - H. B. 223, died in House Public Utilities Committee, would have amended the Rural Electric Cooperative Act to provide for the formation of rural telephone cooperative non-profit membership corporations "organized to furnish adequate telephone service in rural areas." This bill was introduced on January 31, 1953 by Representatives Graybill and Omholt to provide an act more suitable for the formation and operation of rural telephone cooperative organizations than the presently available Cooperative Associations Act (Section 14-201, et. seq. Revised Codes of Montana, 1947). As introduced and referred to the Public Utilities Committee, the bill would have been reasonably satisfactory for this purpose. As reported from Committee the bill was amended to prohibit cooperatives from constructing or maintaining facilities in areas which would result in duplication or paralleling existing facilities or services in such areas without regard to the adequacy of existing facilities. During debate on the bill in the House Rep. Graybill failed in efforts to have this committee amendment stricken. He was successful in getting the bill recommitted to committee where it remained.

B. DefensiveElectrificationEnacted:

State Electrification Authority Act - Repeal - S. B. 104, approved March 5, 1953 and effective July 1, 1953, repeals Sections 89-201 to 89-215, Revised Codes of Montana, 1947, the "State Electrification Authority Act." (The Montana State Rural Electric Cooperative Association appeared at hearings held by the House Public Utilities Committee and opposed this bill without success.)

Failed:

State Electrical Board - S. B. 114, died in Senate, would have provided for the creation of a State Electrical Board with authority to license electrical contractors, journeymen and apprentice electricians, and to require the inspection of electrical installations. (At the 1951 session of the Montana legislature, H. B. 355, relating to the same subject, also failed of enactment.)

C. CollateralElectrificationEnacted:

Libby Dam - S. J. M. 2, approved February 13, 1953, urges Congress to direct the Corps of Engineers to exercise care in the planning and construction of the proposed Libby Dam in order to safeguard the economy of the area.

Electrification and Telephone

Failed:

Moving Lines and Poles - S. B. 107, vetoed by Governor March 3, 1953, would have amended Section 24-138, Revised Codes of Montana, 1947, relating to the duties of owners of poles and wires upon being given notice by any person, firm or corporation intending to move a house, building, derrick or other structure, by requiring such person, firm, or corporation to pay the expense of moving the poles and wires.

Engineering - Regulation - H. B. 100, died in House, would have provided for the regulation of engineering and land surveying.

1953 Nevada Legislation - Final Report  
Session: January 19 to March 19 (22), 1953

A. Affirmative

Legislative Needs

Electrification

1. Authorize power districts to wheel power outside of state without impairing tax exemption. (This legislation had been sought in previous years in order to provide Arizona 16 with an urgently needed power supply. No legislative action was undertaken at this session. It is reported that the power supply problem of Arizona 16 had been taken care of through contractual arrangements and that no legislation is needed.)

Legislation Sponsored

No affirmative program of legislation was sponsored by REA borrowers in Nevada.

B. Defensive

No legislation which would adversely affect the rural electrification or rural telephone programs was noted.

C. Collateral

Electrification

Enacted:

Bridge Canyon Dam - A. J. R 28, adopted by the legislature, memorializes the Congress of the United States to appropriate funds to provide for the immediate construction of the Bridge Canyon Dam and power plant.

Failed:

Utility Poles - A. B. 149, died in House, would have made it a misdemeanor to post bills on utility poles.

Electrification and Telephone

Enacted:

Wells Power Company - A. B. 247, approved and effective March 25, 1953, amends the act granting a franchise to the Wells Power Company

to construct, maintain and operate electric light, heat and power lines and a telephone line in connection therewith in certain specified areas by extending the franchise to "Currie with branch lines to Spruce Mountain and Dolly Varden districts; Mary's River district, Tabor Creek district, North Fork district, O'Neil district, and Contact, including Town Creek and Wilkins districts."

## Telephone

### Enacted:

Churchill County Telephone System - S. B. 111, approved and effective March 6, 1953, Chapter 56, authorizes the board of county commissioners of Churchill County to issue and sell bonds for the expansion and improvement of the Churchill County telephone and telegraph system.

General Corporation Law - A. B. 337, approved and effective March 25, 1953, amends section 93 of the general corporation law relating to the renewal of a corporation charter.

S. B. 156, approved and effective March 19, 1953, amends act providing a general corporation law by: (a) adding a new Section 7.1 relating to amendment of articles of incorporation; (b) amending Section 9 to permit corporations to make donations for the public welfare or for charitable, scientific or educational purposes; (c) adding Section 11(b) permitting corporations to issue certificates for fractions of shares or to pay cash or issue scrip in lieu thereof; (d) amending Section 29 providing for the expiration of proxies 6 months from the date of execution; (e) adding a new Section 40(a) relating to transfer of property to surviving or consolidated corporations; and (f) amending Section 35 relating to insertion of the year of its incorporation into the seal of a corporation, in place of the full date.

1953 Oregon Legislation - Final Report  
Session: January 12 to April 21, 1953

Governor's Message

The following excerpt is from the message of Governor Paul L. Patterson to the Oregon Legislature:

"A subject which has been receiving more and more attention from the Governors of the Northwest area and of the various interstate cooperation committees of the states, is the question of the control and use of the Columbia River and of the waters in its great watershed. There seems to be a unanimity of opinion between the states that the answer to the problem is to be found in a compact...."

"Before this matter can go forward, however, money must be obtained from all of the interested states. Oregon and Washington must carry the lion's share of this load for two reasons: first, they are the states most able to do so; and second, they are the states most interested in this great river.

"I suggest to you that you examine the reports that will be before you on the work and progress that have been made to date and that if you agree with me that this is a procedure which should be followed, you make available to the appropriate committee sufficient money to permit Oregon to participate with the other states in the preparation of the Columbia River Compact...."

A. Affirmative

Legislative Needs

Electrification and Telephone

1. Amendment assuring validity of after-acquired property clause in REA mortgages. (See H. B. 361, below.)

Legislation Sponsored

Electrification and Telephone

Enacted:

Mortgages - After-acquired Property - H. B. 361, approved May 13, 1953 and effective July 21, 1953, Chapter 700, amends Chapter 5, Title 7, O. C. L. A., relating to the Cooperative Association Act, by adding a new section clarifying the effectiveness of the after-acquired property provisions in mortgages given to REA and providing for their recordation and filing.

This bill was sponsored by the Oregon State Rural Electric Cooperative Association and is the same as the draft of a bill prepared by REA at the request of the Association. Attorney Neal W. Bush represented the Association before the Legislature. At his request REA furnished a list of states which had enacted similar legislation and an amendment limiting its effect to REA financing, which was adopted.

B. Defensive

No legislation which would adversely affect the rural electrification and rural telephone programs was noted.

C. CollateralElectrificationEnacted:

People's Utility Districts - S. B. 236, approved April 15, 1953 and effective July 21, 1953, Chapter 354, amends Section 114-234, O. C. L. A. relating to annual audits of people's utility districts by providing that such audit shall be made by an accountant who is on the roster of accountants authorized to conduct municipal audits as well as by the Secretary of State as provided in law at present. The district is to pay for the audit whether made by accountant or by Secretary of State.

S. B. 237, approved and effective April 7, 1953, Chapter 284, amends Section 114-236, O. C. L. A. relating to compensation of members of board of directors by providing that the district may pay a director a per diem allowance when he is outside of the boundaries of the district on business for the district.

S. B. 233, approved May 7, 1953 and effective July 21, 1953, Chapter 627, amends Section 114-245, O. C. L. A., to permit employees of people's utility districts to be covered under the unemployment compensation law.

Hydro-electric Projects - Financing - H. B. 505, approved April 7, 1953 and effective July 21, 1953, Chapter 271, amends Section 543.350, Oregon Revised Statutes relating to the issuance of stocks and bonds for the financing of hydro-electric projects.

Upper Columbia River Basin Commission - S. B. 136, approved May 7, 1953 and effective July 21, 1953, Chapter 622, amends the act creating the Upper Columbia River Basin Commission by providing that commissioners shall receive no compensation other than their traveling and other expenses; by authorizing the commission to conduct investigations into hydro-electric power projects; by providing for employment of personnel not subject to the State Civil Service Law and serve as representatives of State of Oregon on any interstate agency for the development of a Columbia River compact. (See Governor's Message, above.)

Columbia River - Development - H. J. H. 1, filed in office of Secretary of State April 8, 1953, memorializes the Congress and the Secretary of the Interior to continue the orderly development of the Columbia River.

Failed:

State Electrical Code - S. B. 171, died in Senate, would have amended various sections of the state electrical code relating to electrical installations, licensing of electricians, etc.

Hydro-electric Commission - H. B. 160, died in House, would have amended the act creating the Hydro-electric Commission of Oregon, relating to appointment of members of the Commission, conduct of hearings, issuance of licenses, etc.

Public Utilities Commissioner - Rates - H. B. 413, died in House, would have directed the Public Utilities Commissioner of Oregon to hold a public hearing to investigate the legality and necessity of surcharges imposed by the Portland General Electric Company, Pacific Power and Light Company and the Mountain States Power Company on their respective consumers. (See H. B. 104, below.)

S. J. R. 7, died in Senate, would have provided for the creation of a legislative committee to investigate the necessity for the 20 percent increase in power rates instituted by the Public Utilities Commissioner as an emergency measure. (See H. B. 104, below.)

Electrification and Telephone

Enacted:

Utility Rates - H. B. 104, approved April 8, 1953 and effective July 21, 1953, Chapter 285, amends Section 112-471, O. C. L. A., relating to emergency rate alterations and suspensions by providing that such rate changes shall become effective within thirty days unless the Public Utilities Commissioner or any interested party shall request a hearing on the propriety and reasonableness of such rate. The act also provides that during the period of time the increased rate is in effect the public utility concerned shall indicate separately in dollars and cents on the face of its statements or bills that portion of the bill which is the basic rate and that portion which is the surcharge.

Public Utilities Commissioner - Appeal from Orders - H. B. 294, as approved April 28, 1953 and effective July 21, 1953, Chapter 478, repeals Section 767.490, Oregon Revised Statutes relating to appeals from orders of the Public Utilities Commissioner.

Non-profit Corporations - H. B. 420, approved May 12, 1953 and effective July 21, 1953, Chapter 680, authorizes non-profit corporations and corporations without capital stock to merge or consolidate in the manner prescribed by Chapter 366, Laws 1943.

Corporations - H. B. 142, approved May 2, 1953 and effective December 31, 1953, Chapter 549, enacts a complete new Oregon Business Corporation Act. Section 141 provides that "non-profit corporations and corporations without capital stock may merge or consolidate in the manner and effect provided in this Act."

Sale of Securities - S. B. 43, approved and effective May 12, 1953, Chapter 690, amends Section 80-103, O. C. L. A., relating to the sale of securities by providing that it shall not apply to securities issued by organizations over which the Public Utilities Commissioner is exercising control or regulating nor to stock and membership certificates issued "by an agricultural cooperative marketing, purchasing or irrigation association" .... "but any fee or charge whatsoever evidencing membership shall not exceed the sum of \$1,000 and no person shall purchase, hold or obtain directly or indirectly more than one membership."

Corporation Excise Taxes - H. B. 21, approved April 17, 1953, Chapter 385, amends Sections 110-1502, 110-1506, 110-1508, 110-1509, 110-1512, 110-1513 and 110-1522, O. C. L. A., relating to corporation excise taxes.

Failed:

Lines - Public Highways - S. B. 22, died in Senate, would have amended Section 112-501, O. C. L. A. relating to telegraph, telephone and power lines along public highways by making corrections in references to the Public Utilities Commissioner, and authorizing the county court or State Highway Commission to require all lines to occupy the same side of a highway right-of-way if feasible.

1953 Utah Legislation - Final Report  
Session: January 12 to March 12, 1953

A. Affirmative

Legislative Needs

Electrification

1. Amendments of law requiring destruction of chattel mortgage after ten years and to recognize validity of after-acquired property clause.

Legislation Sponsored

No affirmative program of legislation was sponsored by REA borrowers in Utah.

B. Defensive

No legislation which would adversely affect the rural electrification or rural telephone programs was noted.

C. Collateral

Electrification

Enacted:

Colorado River Project - S. J. R. 10, approved March 5, 1953, memorializes the Congress to enact legislation authorizing the Colorado River storage project.

Electrification and Telephone

Enacted:

Contractors Licenses - H. B. 32 approved March 14, 1953 and effective May 13, 1953, Chapter 96, amends Section 58-6-4, Utah Code Annotated, 1953, by deleting the requirement that contractors licenses must be issued within ten days from receipt of application by the department of registration and providing that the committee will meet at regular intervals once each month to review and act upon applications.

Failed:

Engineers and Surveyors - Regulation - H. B. 85, died in House, would have provided for the regulation and licensing of engineers and land surveyors under the supervision of the Department of Registration of the State of Utah. (S. B. 76, same as H. B. 85, died in Senate.)

Telephone

Enacted:

Corporations - Directors - S. B. 200, approved and effective March 11, 1953, Chapter 25, amends Section 16-2-5 and 16-2-24, Utah Code Annotated, 1953, relating to the number of directors of corporations for pecuniary profit, their qualifications and terms of office and removal and resignation.

1953 Washington Legislation - Final Report  
Session: January 12 to March 12, 1953  
First Special Session: March 13 to 21, 1953

Governor's Message

The following excerpt is from the message of Governor Arthur B. Langlie to the Washington Legislature:

"One of the most important elements in furthering the economic and industrial growth of our state is the full development of its hydro-electric resources. For many years federal agencies have controlled these programs, not always in keeping with the wishes or the best interest of the people of this region.

"The new national administration....has committed itself to assisting state and local governments in recapturing the right to finance, manage and operate the resources of their respective regions. Proposals will be before you on methods to develop to its full potential the power and water resources of our state and the Pacific Northwest under control of our people and their elected representatives...

"An over-all plan must be based on cooperation among the federal government, the states in the Columbia River watershed, Canada and the various public and private systems operating in it."

A. Affirmative

Legislative Needs

Electrification

1. Amendment of law requiring affidavit of good faith for chattel mortgages and to recognize validity of after-acquired property clause. (This legislation had been recommended in 1951 but no action was taken at that session or in the 1953 session).

Legislation Sponsored

No affirmative program of legislation was reported to have been sponsored by the Washington Rural Electric Cooperative Association.

B. Defensive

No legislation which would adversely affect the rural electrification or rural telephone programs was noted.

C. Collateral

Electrification

Enacted:

Electrical Workers - Safety - S. B. 440, approved March 18, 1953 and effective June 11, 1953, Chap. 185, makes it unlawful to attach to utility poles signs, posters, vending machines or similar objects which present a hazard to, or endanger the lives of, electrical workers. (H. B. 533, same as S. B. 440 passed House, indefinitely postponed in Senate)

Washington State Power Commission - H. B. 462, approved March 23, 1953 and effective June 11, 1953, Chap. 281, creates a five-member Washington State Power Commission, representing both public and private power groups, with the authority to build, buy and operate generating facilities, transmission lines, etc. The Commission is authorized to represent the State of Washington in the development of interstate compacts and to aid public and private utility operators in developing facilities. The act also authorizes public utility districts and municipal power systems to build projects jointly. (S. B. 247, same as H. B. 462, died in Senate).

Public Utility Districts - Unemployment Compensation - S. B. 171, approved March 23, 1953 and effective June 11, 1953, amends Section 50.04.200, Revised Code of Washington, to provide that public utility districts and public power authorities may voluntarily elect to have their employees covered under unemployment compensation.

Public Utility Districts - Acquisition by Cities - H. B. 261, approved and effective March 17, 1953, Chap. 97, amends Section 80.40.054, Revised Code of Washington, authorizing cities and towns to acquire by purchase or condemnation from any public utility district or combination of public utility districts any electrical distribution property within the boundaries of such city or town. (S. B. 148, same as H. B. 261, died in Senate)

Failed:

Public Utility Districts - H. B. 77, died in House, would have amended Section 54.16.020, Revised Code of Washington, relating to public utility districts, by subjecting the condemnation of generating plants and facilities owned or operated by public service companies to the jurisdiction of the Public Service Commission. (S. B. 54, same as H. B. 77, died in Senate)

Public Utility Districts - Dissolution - S. B. 12, died in Senate, would have provided for the dissolution of utility districts by a majority vote in district general election.

S. B. 372, died in Senate, related to the dissolution of public utility districts.

H. B. 484, died in House, related to the dissolution of public utility districts.

Public Utility Districts - Bonds - S. B. 104, died in Senate, would have added a new section to Chapter 54.24, Revised Code of Washington, requiring public utility districts to submit bond issues to competitive bidding. S. B. 92, died in Senate, would have amended Section 54.24.020, Revised Code of Washington, relating to issuance of bonds by public utility districts by providing for approval by the voters of the district.

Public Utility Districts - Condemnation - H. B. 525, died in House, would have amended Section 54.32.040, Revised Code of Washington, relating to condemnation rights of county-wide public utility districts.

Public Utility Districts - Assessments - H. B. 350, passed House, died in Senate, would have amended Section 54.16.120, Revised Code of Washington, relating to local utility assessment districts in public utility districts.

Public Utilities - Regulation - H. B. 352, died in House, would have related to state regulation of public utilities and their financial structure and rates.

Electrical Resources - H. B. 458, died in House, would have related to the conservation, development and utilization of the State's electrical resources and of facilities for its generation and transmission. The bill would have authorized municipal corporations to contract with each other and to form a joint operating agency for the acquisition, construction and operation of generation and transmission facilities. (S. B. 360, same as H. B. 458, died in Senate)

Electrical Installations - S. B. 155, died in Senate, would have amended and added to Chapter 19.28, Revised Code of Washington, relating to installation of electrical wires and equipment; providing for issuance of permits and licenses; and prescribing powers and duties of certain officials in connection therewith.

## Electrification and Telephone

### Enacted:

Public Service Commission - H. B. 220, approved March 17, 1953 and effective June 11, 1953, Chap. 120, adds a new section to Chapter 80.04 and 81.04, Revised Code of Washington, authorizing any public service company affected by an order of the commission to apply for a writ of review of such order and prescribing the time within which such order shall be filed and the commission shall act.

## Telephone

### Enacted:

Telephone Calls - H. B. 5, approved February 24, 1953 and effective June 11, 1953, Chap. 25, establishes a priority for the making of telephone calls on party lines during emergencies and prescribes a penalty for failing to yield the line in an emergency.

Cooperative Associations - H. B. 40, approved March 21, 1953 and effective June 11, 1953, Chap. 258, amends Section 23.56.110, Revised Code of Washington, relating to cooperative associations purchasing their own stock by striking out the provision prohibiting the payment of more than par value for such stock.

Failed:

Telephone Rates - S. C. R. 7, died in Senate, would have provided for an investigation of telephone rates.

Section 10.

Arizona  
New Mexico  
Texas

Section 10.

Arizona  
New Mexico  
Texas

1953 Arizona Legislation - Final Report  
Session: January 12 to March 31, 1953

A. Affirmative

Legislative Needs

Electrification

1. Amendment of Electric Cooperative Act to:

- a. Exempt cooperatives from the jurisdiction of the Corporation Commission.
- b. Prohibit "pirating" of cooperative consumers by commercial companies.
- c. Revise definition of "rural area" to permit cooperatives to continue to serve areas which are incorporated into cities and towns.

Drafts of the above bills were furnished to the Arizona Statewide Association at their request. In addition to the amendment to the Electric Cooperative Act providing for exemption from Corporation Commission jurisdiction, an alternative draft of an amendment to the public utility law to accomplish this same purpose was supplied. The amendment to Section 53-480 of the Electric Cooperative Act to prohibit "pirating" also provided for elimination of language establishing territorial restrictions (prohibiting service to structures, etc. already receiving service or located within one-half mile of the lines of any distributor of electric service). The Statewide Association did not plan to introduce this legislation unless it was found necessary to do so to offset attacks on the electric cooperative program.

(Consideration was also given to the advisability of: (a) amending Section 53-454(d) of the Electric Cooperative Act to restore language, stricken by the 1949 amendment, permitting cooperatives to serve "governmental agencies and political subdivisions, and....other persons not in excess of ten per centum of the number of its members..."; (b) adding language to the Electric Cooperative Act to facilitate qualification of foreign cooperatives; and (c) amending the Electric Cooperative Act to provide a two-year limitation for actions arising out of maintenance of lines. No action was taken on these items.)

Telephone

Exemption of telephone cooperatives from Corporation Commission jurisdiction.  
(not recommended)

Legislation Sponsored

No affirmative program of legislation was undertaken by REA borrowers in Arizona.

B. Defensive

Electrification

Enacted:

Arizona Power Authority - S. B. 106, approved and effective March 26, 1953, Chapter 66, amends the Power Authority Act of 1944 and adds Section 75-1916, Arizona Code of 1939, to authorize the Arizona Power Authority to purchase and sell power from sources other than the Colorado River and to provide that no purchase be made except by a holder of a power purchase certificate.

C. Collateral

Electrification

Enacted:

Electrical Districts - H. B. 221 approved April 1, 1953 Chapter 127, amends Section 75-612, Arizona Code of 1939 to increase the compensation of directors of electrical districts from \$5 to \$15 per day.

Underground Water Supplies - S. B. 107, approved and effective March 18, 1953, Chapter 42, amends the groundwater code by establishing certain restricted areas and prohibiting the digging of new wells therein; providing for replacement wells, for deepening existing wells, for completion of wells substantially commenced; and providing for the extension of the life of the underground water commission.

Failed:

Municipal Utilities - Extension of Electric Service - S. B. 44, died in Senate, would have prohibited municipalities or other political subdivisions from furnishing electrical service to persons residing within territory being served by another municipality or political subdivision. (H. B. 133, same as S. B. 44, died in House.) (This bill was sponsored by the Salt River Valley Agricultural Power and Improvement District of Phoenix, Ariz. to combat the activities of the City of Mesa, Ariz. The district had provided electric service in the Salt River Valley for many years. The valley area and the City of Mesa has had a substantial population increase and Mesa, which owns and operates its own electrical distribution system, has been expanding its corporate limits and in the process been taking over the electric customers of the District.)

Chattel Mortgages - S. B. 37, passed Senate, died in House, would have amended Section 62-523, Arizona Code of 1939, to permit filing of chattel mortgages in county where mortgagor's principal place of business is located rather than in all counties where business is transacted.

Electrical Facilities - Acquisition - H. B. 263, died in House, would have authorized cities, towns and other political subdivisions engaged in furnishing electrical energy to acquire by purchase or eminent domain any electric light and power transmission lines or facilities owned by another political subdivision operating within the limits of such cities or towns.

Colorado River Irrigation and Power District - H. B. 194, died in House, would have created the Colorado River Irrigation and Power District with authority to control the underground waters in land which receive water from the Colorado River.

Glen Canyon Dam - H. C. R. 16, died in House, would have provided for the filing of a protest with the Secretary of the Interior against the Colorado River Storage Project and the plan to construct the Glen Canyon Dam within the State of Arizona but for the benefit of the upper Colorado River basin states.

Electrification and Telephone

Failed:

Income Taxation - H. B. 216, died in House, would have amended Section 73-1511, Arizona Code of 1939, relating to deduction allowed by corporations doing business on a cooperative basis, by restricting the deduction of patronage dividends to those made in cash.

1953 New Mexico Legislation - Final Report  
Session: January 13 to March 14(15), 1953

Governor's Message

The following excerpt is from the message of Governor Edwin L. Mechem to the New Mexico Legislature:

"There continues to exist the necessity for combining our Corporation Commission and Public Service Commission. These two agencies perform parallel duties, and their consolidation would result in substantial economies and greater efficiency."

A. Affirmative

Legislative Needs

Electrification

1. Ad valorem and other tax relief. (In 1951 a bill providing assessments on basis of 50% of gross revenues and exemption from all other taxes was introduced but failed to pass. The New Mexico Rural Electrification Cooperative Association decided not to seek legislative remedy this year in the belief that the ad valorem property tax problems will be administratively settled.)
2. Amendment of 1949 law restricting franchises to use public highways, etc. to 25 years, to provide for 35 year term.

Legislation Sponsored

No affirmative program of legislation was undertaken by REA borrowers in New Mexico.

B. Defensive

Electrification and Telephone

Failed:

State Corporation Commission - H. J. R. 21, died in House, would have proposed an amendment to Article 11 of the Constitution of the State of New Mexico relating to the creation and functions of the State Corporation Commission to regulate, supervise and control business and non-profit corporations. (This was the bill which was recommended by the Governor, see excerpt from message, above.)

S. J. R. 17, died in Committee after being substituted by S. J. R. 20 (see Collateral, below) would have proposed an amendment to Article 11 of the Constitution, creating a State Corporation Commission and prescribing its powers and functions. (This bill was amended by the author to exempt electric and telephone cooperatives from the jurisdiction of the Commission.)

C. CollateralElectrificationFailed:

Municipal Utilities - S. B. 142, vetoed by Governor, would have amended Section 14-3525, 1941 New Mexico Statutes Annotated, relating to municipal utilities by providing that all funds received in excess of amounts needed to operate such utilities may be used by the municipality for any governmental purpose.

Sale of Appliances - H. B. 321, died in House, would have made it illegal for any public utility under the jurisdiction of the Public Service Commission "to sell, or offer for sale any appliance made for using, or capable of using the product or products which are sold to the public by said utility."

Electrical Administrative Board - S. B. 65, died in Senate, would have amended Section 51-2203, 1941 New Mexico Statutes Annotated, relating to the composition of the State Electrical Administrative Board by providing for increasing the number of members from five to seven with the two additional members representing the public.

H. B. 62, died in House, would have repealed Sections 51-2201 to 51-2219, 1941 New Mexico Statutes Annotated, relating to the regulation of electricians.

H. B. 137, died in House, would have amended various sections of the act creating the State Electrical Administrative Board and regulating and licensing electricians and electrical contractors.

Electrification and TelephoneFailed:

State Corporation Commission - S. J. Res. 20, passed Senate, died in House, would have proposed an amendment to Section 7 of Article 11 of the Constitution of the State of New Mexico relating to the regulation of rates by the State Corporation Commission. (This bill was substituted for S. J. Res. 17, see Defensive, above.)

Public Service Commission - S. B. 186, died in Senate, would have amended Sections 72-401 and 72-402, 1941 New Mexico Statutes Annotated, increasing the membership of the Public Service Commission from three to five members; providing that no more than three to be members of the same political party and increasing the annual salary from \$5,000 to \$9,000 annually.

Utility - Rates - H. B. 97, died in House, would have prohibited the Public Service Commission from approving any rate schedule which provides for the imposition of any penalty or interest for late payment of utility bills.

S. B. 257, died in Senate, would have made it unlawful for any public utility "to impose any interest charge or penalty on any bill for services rendered by such utility."

Telephone

Enacted:

Corporations Not for Profit - H. B. 28 approved February 27, 1953 and effective June 12, 1953, amends Section 54-1308, 1941 New Mexico Statutes Annotated, to permit a non-profit corporation to change its name and amend its certificate of incorporation.

General Corporation Law - S. B. 114, approved March 18, 1953 and effective June 12, 1953, amends Section 54-220, 1941 New Mexico Statutes Annotated, to authorize corporations to change the par value of capital stock, to change shares with par value into the same without par value, and to change shares without par value into shares with par value either with or without increasing or decreasing the number of shares.

1953 Texas Legislation - Final Report  
Session: January 13 to May 27, 1953

A. Affirmative

Legislative Needs

Electrification

1. Amendment of Chap. 228, Acts 1949, to eliminate the 22' clearance requirement for lines crossing highways or roads and to eliminate the 10-year limit upon operation and maintenance of lines in unincorporated places which subsequently incorporate. (The Texas Power Reserve Electric Cooperative's Board considered this proposal and decided that it is not a real problem for the electric cooperatives and that it would not sponsor legislation on this subject.)
2. Anti-pirating legislation. (The Board also considered this problem and decided not to sponsor legislation because it felt that this would stir up a demand for a State regulatory commission.)
3. Amendment of Electric Cooperative Corporation Act to:
  - (a) permit out-of-state cooperatives to qualify thereunder
  - (b) permit service to non-members
4. Amendment to eliminate the requirement of dual recordation of REA mortgages, both as real estate and personal property mortgages.

Telephone

1. Clearance requirement for lines (same as item 1, Electrification.)
2. Amendment of Telephone Cooperative Act to clarify right of telephone cooperatives to serve non-rural areas.
3. Amendment of Electric Cooperative Corporation Act to permit electric cooperatives to enter into operating agreements with telephone cooperatives (This problem was brought to the attention of REA by Mr. Sam Lanham, manager, Medina Electric Cooperative, Hondo, Texas. This cooperative as well as others in Texas have entered into operating agreements with newly organized telephone cooperatives for the purpose of furnishing assistance in the construction and maintenance of telephone lines. Question had been raised as to whether such agreements are within the scope of the electric cooperatives' powers under the Electric Cooperative Corporation Act. A draft of a proposed amendment was prepared but the session ended before action could be taken.)

Legislation Sponsored

Electrification

No affirmative program of legislation was undertaken by electrification borrowers in Texas.

TelephoneEnacted:

Telephone Cooperative Act - Amendment - H. B. 889, approved and effective May 28, 1953, Chap. 238, amends Section 4, Subsection 5 of the Telephone Cooperative Act to permit a cooperative to furnish telephone service in cities, towns or villages the population of which has decreased below 1,500 inhabitants since the last preceding Federal Census and providing the procedure for the governing body of such cities or towns to determine that the population has decreased. The act also amends Section 2, Subsection 7, relating to the definition of "rural area" to include cities, town or villages "determined to have less than 1500 inhabitants as provided in the amendment to the above section." Note: In the amendment to Section 2, Subsection 7, the act as passed incorrectly refers to the amendment to Section 4, Subsection 4 instead of Section 4, Subsection 5. (It is reported that this legislation was introduced to alleviate a hardship in one isolated case. The Texas Power Reserve Electric Cooperative did not sponsor this bill and were not consulted about it prior to its introduction)

B. Defensive

No legislation adversely affecting the rural electrification or rural telephone programs was noted.

C. CollateralElectrificationEnacted:

Brazos River Authority - H. B. 175 approved and effective May 19, 1953, Chap. 195, changes the name of the Brazos River Conservation and Reclamation District to the Brazos River Authority and adds language: (1) permitting the Authority to acquire dams, storage rights and facilities to provide water supply for municipal and other purposes; (2) permitting the Authority to construct or purchase from Authority's power customers transmission lines and other properties and leasing such properties to the customer during all or part of the term of the power purchase contract and thereafter to sell such properties to the customer; and (3) amending section 13-a, of act creating Authority, relating to the acquisition of property by purchase or condemnation.

Sabine River Compact - S. B. 131, approved and effective April 21, 1953, Chap. 63, adopts and approves the Sabine River Compact, authorizes the appointment of two Commissioners to administer its provisions and appropriates funds, etc. (H. B. 280, same as S. B. 131, died in House)

Municipal Utility Bonds - S. B. 32, approved and effective March 17, 1953, Chap. 35, authorizes incorporated cities or towns issuing revenue bonds pursuant to the provisions of Articles 1111 to 1118, inclusive, Revised Civil Statutes of Texas, 1925, for the purpose of acquiring its electric or gas systems, to issue additional bonds to be used for extending and improving such systems without holding an election. However, thirty days notice of the issue ~~must~~ be given to the taxpayers.

H. B. 469, approved and effective June 5, 1953, Chap. 307, amends Article 1112, Revised Civil Statutes of Texas, 1925, to increase from \$5,000 to \$10,000 the value of municipal utility system extensions which may be undertaken without requiring majority approval of the qualified voters.

Federal Power Act - amendment - S. C. R. 52, approved May 27, 1953 urges the Congress to enact S. 1522 (83rd Cong. 1st Sess.) amending the Federal Power Act to restrict the Federal Power Commission's control over State and municipally owned projects and to repeal the provision under which the Federal Government may take over and own such projects after expiration of a Federal Power Commission license.

#### Electrification and Telephone

##### Failed:

Public Utilities Commission - H. B. 238, died in House Committee on State Affairs, would have created the Public Utilities Commission of Texas granting it power to regulate telephone, gas and electric utilities but exempting cooperative associations from its jurisdiction.

Water Supply Cooperative Act - H. B. 864, passed House, died in Senate, would have provided for the organization of cooperative, nonprofit, membership corporations for the purpose of furnishing water service, sewer service and fire protection service. The bill also would have provided that certain sections of the Telephone Cooperative Act (relating to operation of cooperative corporations) be applicable to corporations organized under the bill.

The first part of the report deals with the general situation of the country. It is a very interesting and informative study of the country's development. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the study of the country's development.

The second part of the report deals with the economic situation of the country. It is a very interesting and informative study of the country's economic development. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the study of the country's economic development.

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The third part of the report deals with the social situation of the country. It is a very interesting and informative study of the country's social development. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the study of the country's social development.